

National Pollution Funds Center
FY 1999 and FY 2000
Year in Review





This issue of the National Pollution Funds Center *Year in Review* is dedicated to Mr. Daniel F. Sheehan, Director of the National Pollution Funds Center from June 1992 to February 2000. Mr. Sheehan's vision, leadership, and dedication set the NPFC on a guiding course to execute its diverse missions with professionalism and commitment to excellence. We sincerely wish him all the best in the future.



Cover and Inside Cover Photo by John Baker, NPFC

WORD FROM THE



DIRECTOR

I am honored by my appointment as the new Director of the National Pollution Funds Center (NPFC). I look forward to the challenges of this exciting assignment, and to continuing the same high standards of stewardship that my distinguished predecessor, Dan Sheehan, provided to the American public.

I am pleased to present you with the NPFC *Year in Review* for Fiscal Years 1999 and 2000. It describes and quantifies the activities of the NPFC during the last two fiscal years and summarizes activity from the previous five fiscal years. Highlights of our significant accomplishments during the past two years include:

- Disbursements from the Oil Spill Liability Trust Fund continued to grow. In FY99, we allocated over \$62 million for response operations and paid over \$10.6 million in claims. In FY00, we allocated over \$66 million for response operations and paid over \$2.4 million in claims.
- The new mandate we received for adjudication of Natural Resource Damage (NRD) claims has been a major focus of our efforts. Implementation of the adjudication process required extensive interagency coordination, consensus building, and commitment. Our first NRD claim was paid in September 1999.
- NPFC's diligent administration of the liability and compensation provisions of the Oil Pollution Act of 1990 (OPA) have contributed greatly to the prevention of oil spills. As the OPA guarantor approval authority, we continued evaluation of companies that provide the financial backing for vessel Certificates of Financial Responsibility (COFRs). Self-propelled tankships alone represent a potential OPA aggregate liability of over \$100 billion.
- We launched a joint initiative with the U.S. Coast Guard Office of Response in the creation of a *Federal On-Scene Coordinator Finance and Resource Management (FFARM) Field Guide*, which will enhance spill-related cost documentation.
- Our auditors reported that NPFC's fiscal year financial records were "extremely clean" and that "we were doing everything needed to collect from responsible parties." This finding contributed to the Coast Guard and the U.S. Department of Transportation (DOT) earning a clean opinion in the FY 1999 CFO Act audit. NPFC manages almost half of the Department's receivable assets.
- We have employed the use of Web-based technology to great effect in support of our diverse and unique missions through developing our NPFC Expert Management System.

The NPFC is a unique organization within the Coast Guard, and, indeed, within the Federal Government. We are also an integral part of our nation's oil spill protection and response regime. In Congressional testimony on the 10th anniversary of the *Exxon Valdez* oil spill, the Commandant of the Coast Guard advised hearing participants that since the enactment of OPA, the liability and compensation provisions of OPA (Title I) as implemented by the NPFC, had become an equal partner with shipboard design, equipment, and operating requirements in contributing to the prevention of oil spills and the significant reduction in U.S. spills in the past ten years. We are proud of our role in the protection of our nation's environment.

In closing, please enjoy your copy of the NPFC *Year in Review*. I welcome your suggestions on how we can improve any aspect of NPFC missions and services in the future.

Sincerely,

A handwritten signature in dark ink that reads "Jan P. Lane".

Jan P. Lane

TABLE OF CONTENTS

Introduction	7
NPFC Missions	8
Provide Funding to Permit Timely Removal Action or Mitigate a Substantial Threat	8
Provide Funding to Initiate the Preassessment of Natural Resource Damages	8
Compensate Claimants	9
Recover Costs from Responsible Parties	9
Issue Vessel Certificates of Financial Responsibility (COFRs)	10
Who Do We Touch?	11
Organization	14
Case Team Concept	15
The Oil Spill Liability Trust Fund (OSLTF)	16
History of the Fund.....	16
Revenue Sources	17
NPFC Cost Recovery	18
Fund Components and Uses	19
The Emergency Fund	19
Removal Actions	20
Removal Costs and Services	21
Natural Resource Damage Assessment Initiation	24
State Access	25

Use of OSLTF By State	26
Significant Cases	26
The Principal Fund	30
Claims	30
Natural Resource Damage Claims	33
Agency Appropriations	35
Coast Guard Superfund Use	37
History	37
Coast Guard CERCLA Responses	37
Vessel Financial Responsibility Certification	39
User Fee Receipts	41
Vessel Enforcement Inquiries	42
Outreach	44
Outreach Initiatives	45
NPFC Guidance Materials	46
Program Initiatives	48
NPFC On-Line	50
Glossary of Terms	55
Senior Management	56
Case Management Teams	57

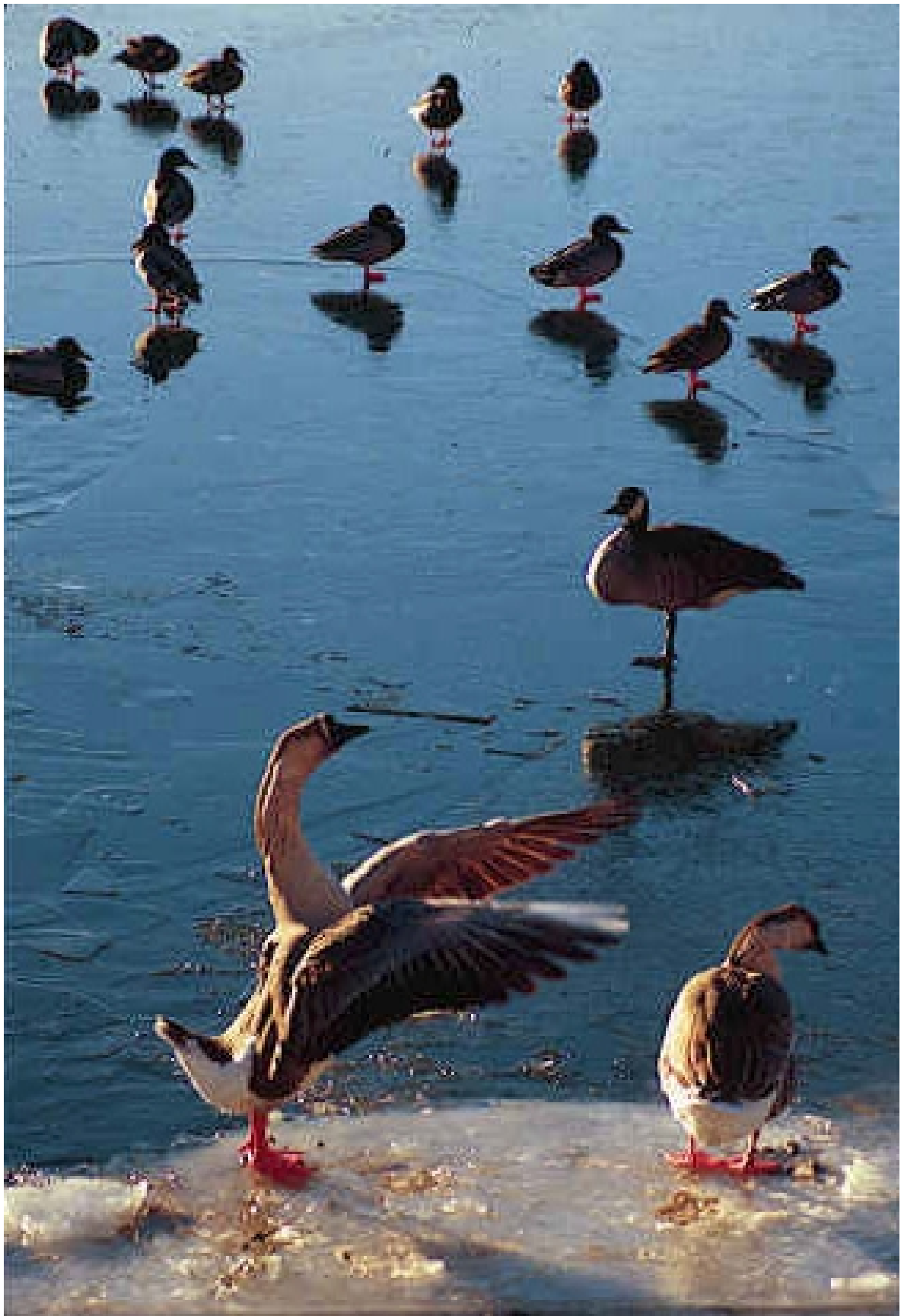


Photo by John Baker, NPFC

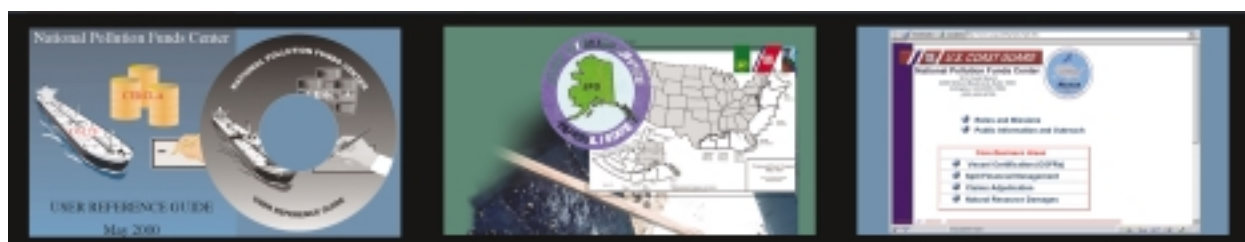


The Oil Pollution Act of 1990 (OPA) addresses the wide-ranging problems associated with preventing, responding to, and paying for oil pollution. It does so by creating a comprehensive prevention, response, liability, and compensation regime to deal with vessel- and facility-caused oil pollution to U.S. navigable waters. OPA greatly increased Federal oversight of maritime oil transportation while providing greater environmental safeguards. This was accomplished by setting new requirements for vessel construction, crew licensing and manning; mandating contingency planning; enhancing Federal response capability; broadening enforcement authority; increasing penalties; creating new research and development programs; increasing potential liabilities; and significantly broadening financial responsibility requirements.

Title I of OPA established new and higher liability limits for oil spills, with commensurate changes to financial responsibility requirements. It substantially broadened the scope of damages, including Natural Resource Damages (NRDs), for which polluters are liable. It also provided for the use of a \$1 billion Oil Spill Liability Trust Fund (OSLTF) to pay for expeditious oil removal and uncompensated damages. OSLTF administration was delegated to the U.S. Coast Guard by Executive Order, and on February 20, 1991, the National Pollution Funds Center (NPFC) was commissioned to perform this function as an independent Headquarters unit reporting directly to the Coast Guard Chief of Staff.

NPFC implements the many diverse provisions established in Title I of OPA on an ongoing basis. During FY99, 725 new oil pollution cases that required Fund access for Federal response activities were opened. The total funds used from the OSLTF in that period, for all purposes administered by the NPFC, were \$77.5 million.

During FY00, 655 new oil pollution cases that required Fund access for Federal response activities were opened. The total funds used from the OSLTF in that period, for all purposes administered by the NPFC, were \$78.9 million.





The NPFC has fiduciary responsibility for the OSLTF and the portion of the Superfund that the Coast Guard uses to respond to hazardous material releases in U.S. coastal zones. In accordance with OPA and other pertinent laws and regulations, the NPFC executes programs to accomplish the following five principal objectives discussed below.

PROVIDE FUNDING TO PERMIT TIMELY REMOVAL ACTION OR MITIGATE A SUBSTANTIAL THREAT

When an oil or hazardous substance spill occurs in U.S. navigable waters, or there is a substantial threat of such a spill, the Responsible Party (RP) is expected to act promptly. The NPFC maintains a system that provides funds 24 hours a day for Federal On-Scene Coordinator (FOSC) needs, either to immediately respond or to monitor the RP's cleanup activities. Funds also may be accessed by states for oil removal actions as described on page 25.

PROVIDE FUNDING TO INITIATE THE PREASSESSMENT OF NATURAL RESOURCE DAMAGES

For oil spills affecting natural resources, trustees may choose to submit a request to conduct the initiation of a Natural Resource Damage Assessment (NRDA). Established procedures allow the trustees, acting through a Federal Lead Administrative Trustee (FLAT), to gain access to OSLTF funds to complete these "preassessment" activities. (See page 24 for more information on this topic.)

COMPENSATE CLAIMANTS

OPA expands the scope of damages claimants can recover and does away with the traditional admiralty shipowners' protection. Traditional protection generally limited the scope of pure economic damages to only those who owned property physically impacted by oil and often limited the extent of liability of the shipowner to the value of the ship.

OPA allows claimants to seek payment from the OSLTF without having to resort to the legal system. Claims resulting from mystery spills and claims not paid by the RP may be submitted to the Fund for payment of *uncompensated removal costs* and the following types of damages:

- Damage to natural resources submitted by Federal, state, Indian tribe, or foreign trustees
- Damage to real or personal property
- Loss of subsistence use of natural resources
- Net loss of Government revenue by Federal, state, or political subdivisions thereof
- Loss of profit and earning capacity
- Net costs for increased public services by state or political subdivisions thereof



RECOVER COSTS FROM RESPONSIBLE PARTIES

An underlying principle of OPA is to reduce the probability of an oil spill incident. The law is designed to motivate potential polluters to act more carefully by holding them strictly liable for costs and damages resulting from oil spills into U.S navigable waters. Such action is encouraged by enforcement of cost recovery under OPA. NPFC's goals are to ensure that:

- Parties responsible for oil pollution or substantial threat of oil pollution are identified.
- All removal costs and damages are documented accurately and submitted promptly.
- RPs pay such costs up to their OPA limit of liability.

ISSUE VESSEL CERTIFICATES OF FINANCIAL RESPONSIBILITY



OPA substantially increased the scope and limits of liability for vessel owners and operators. Operators of U.S.- and foreign-flag vessels over 300 gross tons generally are prohibited from operating in U.S. waters without first demonstrating their financial ability to pay for pollution removal costs and damages. The NPFC is responsible for issuing vessel Certificates of Financial Responsibility (COFRs) in accordance with OPA and CERCLA. Coast Guard and U.S. Customs Service field units enforce the COFR requirement. Currently, about 19,000 vessels carry COFRs issued by the Coast Guard.

The NPFC routinely interacts with over 30,000 distinct public and private entities:

- 8,000 to 10,000 vessel owners and operators plus their myriad of port agents, P&I Club correspondents, and attorneys
- 2,700 RPs and their associated staffs
- 1,500 private third-party claimants (everybody from a citizen with oil on his seawall to major shipping companies)
- The environmental staffs of all 50 states and their governors' offices. NPFC has letters from every coastal governor and many of the inland governors identifying their claims acceptance authority by name.
- Additionally, NPFC has negotiated, or is in the process of negotiating, Memoranda of Understanding (MOUs) with the U.S. Environmental Protection Agency (EPA), the National Oceanic and Atmospheric Administration (NOAA), the U.S. Navy/Supervisor of Salvage (SUPSALV), and the U.S. Army Corps of Engineers (ACOE). NPFC interacts with all Federal natural resource trustees as well as all the representatives on the National Response Team.



SPILLS

NPFC provides funding to permit timely removal actions:

OSLTF

	FY99	FY00
Oil pollution cases opened in FY99/FY00:	723	655
Oil pollution cases closed in FY99/FY00:	555	561
Money committed from OSLTF emergency fund: (case ceilings/NRD initiations) FY99/FY00	\$62.3M	\$66.2M

NPFC recovers pollution costs and damages incurred by the Fund from RPs:

Amount billed in FY99/FY00	\$26.1M	\$34.7M
Amount recovered in FY99/FY00 (from bills issued since 1991)	\$7.2M	\$ 6.6M

In FY99, NPFC's gross accounts receivable (\$83 million) amounted to 42% of DOT's total accounts receivable. In FY00, NPFC's gross accounts receivable (\$76 million) amounted to approximately 50% of DOT's total accounts receivable.

	FY99	FY00
CERCLA	203 cases	191 cases

NPFC manages the Coast Guard's apportionment of the Superfund:

	FY 99	FY00
Response funding for Coast Guard FOSCs and Strike Teams:	\$4.4M	\$2.9M
Management and Support:	\$4.8M	\$4.8M

CLAIMS

NPFC compensates claimants who demonstrate that certain damages were caused by oil pollution to U.S. navigable waters:

	FY99	FY00
Received		
Number:	712	399
Dollar amount:	\$31,574,376	\$9,437,308
Adjudicated		
Amount paid:	\$10,698,998	\$2,404,637
Largest paid:	\$6,772,177 (NOAA)	\$294,603 (M/T Nord Jahre Princess)
Smallest paid:	\$14.02 (State of Florida)	\$15.15 (State of Florida)

LITIGATION

NPFC recovers oil pollution costs and damages incurred by the Fund from RPs:

NPFC's legal staff provides legal advice to FOSCs, prepares cases for litigation, and prepares defenses when NPFC is the subject of litigation. At the end of FY00, NPFC had:

- 38 affirmative cases (NPFC is the plaintiff) in which NPFC seeks approximately \$30 million
- 3 defensive cases (NPFC is the defendant) in which NPFC is asked to pay approximately \$2.7 million

CERTIFICATES OF FINANCIAL RESPONSIBILITY (COFRs)

NPFC certifies the financial responsibility of vessel owners and operators.

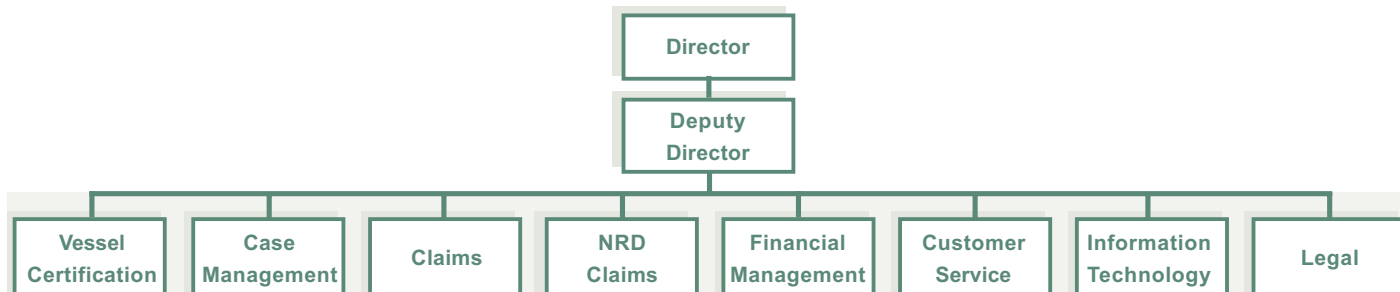
NPFC ensures that vessels arriving in U.S. ports have enough financial resources to meet their limit of liability under OPA. NPFC approves OPA guarantors and issues COFRs to attest to the financial responsibility of the vessel owner/operator.

As the Federal OPA guarantor approval authority, NPFC approves companies and entities that provide the financial backing for vessel COFRs. For self-propelled tank vessels alone, this represents a potential OPA aggregate liability of over \$120.5 billion. Each of the 135 providers of evidence of financial responsibility undergo an annual financial recertification and review by NPFC.

COFRs		
	FY99	FY00
COFRs issued	6,713	6,985
Total number valid	18,693	18,873
Enforcement calls total:	2,951	2,379
Customs	1,205	833
U.S. Coast Guard	1,746	1,546
Vessels detained	12	13
Vessels prevented from entering U.S. waters	7	7

At the end of FY00, NPFC had 111 employees—85% civilian, 15% military—organized into eight divisions as shown in the organizational chart below. For a list of names and telephone numbers for NPFC senior management, please refer to page 56.

- Vessel Certification—Issues COFRs to the operators of U.S.- and foreign-flag vessels. Receives and processes enforcement inquiries. Provides information to the field concerning the detainment and release of U.S.- and foreign-flag vessels under the certification enforcement program.
- Case Management—Ensures emergency funding is available to support responses to the substantial threat or actual discharge of oil or the release of hazardous substances into U.S. navigable waters. Acts as the primary point of contact with the pollution response community. Provides for accurate cost documentation and effective cost recovery.
- Claims—Adjudicates claims for uncompensated removal costs and OPA-specified damages from a discharge of oil or the substantial threat of discharge of oil into the navigable waters of the United States.
- Natural Resource Damage (NRD) Claims—Adjudicates claims for natural resource damages caused by a discharge of oil or the substantial threat of a discharge into the navigable waters of the United States. (NRD claims can only be submitted by Federal, state, Indian tribe, or foreign trustees as designated pursuant to OPA executive order, and Federal regulations.)
- Financial Management—Provides fund management and oversight for the OSLTF and Superfund. Coordinates all budgeting functions, including planning and programming. Prepares financial statements in accordance with the Chief Financial Officers Act.
- Customer Service—Oversees and manages all outreach activities, NPFC’s strategic planning, publications programs, and Congressional and public affairs activities. Coordinates all internal and external training programs and military and civilian personnel matters.
- Information Technology—Operates and maintains all information technology resources. Seeks new technological opportunities to improve staff performance. Executes the Life Cycle Management plan for all automated information systems.
- Legal—Provides legal support for the Command, including advice on funding cleanups, adjudicating claims, cost recovery, and the legal aspects of vessel financial responsibility. Provides litigation support to the U.S. Department of Justice.



Although the NPFC is organized by Division, it also operates through a matrix organization centered around four Case Teams with regional responsibilities. Each Case Team is led by a Regional Manager who is the central internal coordinator and external point



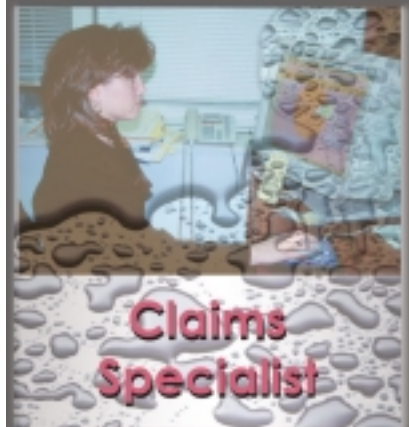
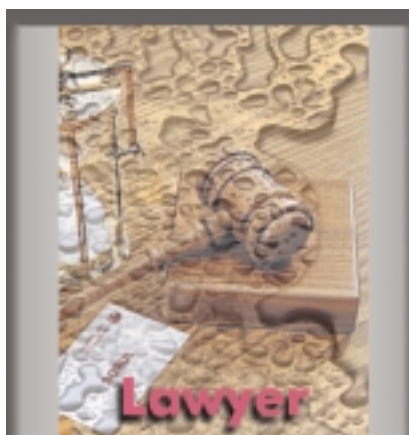
of contact for the pollution response community. In addition to the Regional Manager, the Case Teams are composed of Case Officers and technical experts from each functional area, including:

- A Lawyer,
- A Financial Manager,
- An Insurance Examiner,
- A Claims Specialist, and
- Other specialists, such as an NRD Claims Manager or Outreach Coordinator, as required.

The Case Team is part of the National Response System, which consists of Federal, state, and local agencies. The Case Team works closely with the FOSC and other members of the response community. They act as a Natural Working Group (NWG) to manage all fund-related aspects of cases to ensure appropriate OSLTF/ CERCLA fund access, effective cost recovery, education through outreach efforts, and resolution of other related financial issues.

At the close of FY99, the NPFC Case Teams handled over 5,400 cases totaling approximately \$375.6 million. As of September 2000, the NPFC Case Teams handled nearly 6,100 cases totaling approximately \$420.7 million. With 1,366 cases currently open, each Case Officer has a workload of about 90 active cases.

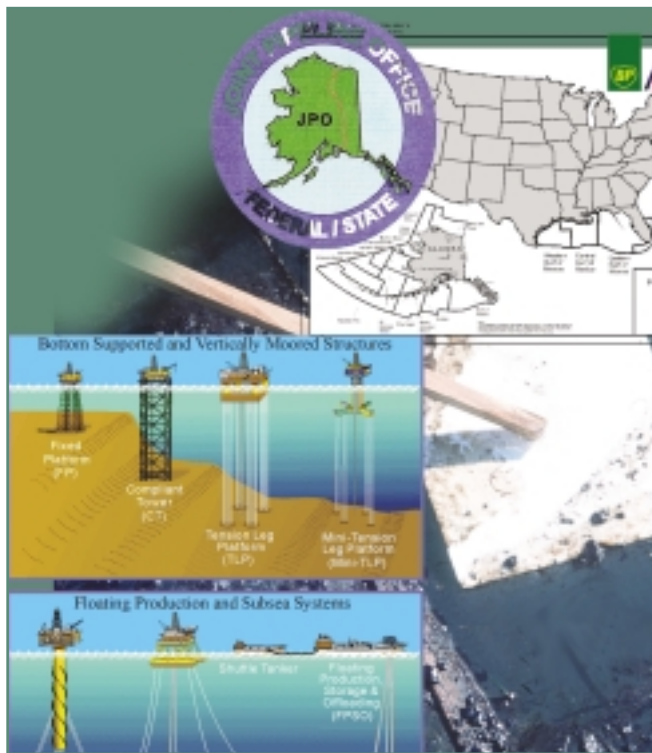
For a list of the names and telephone numbers of NPFC Case Team Regional Managers and their areas of responsibility, please refer to page 57.



HISTORY OF THE FUND

In August 1990, when President George H. W. Bush signed OPA into law and authorized use of the OSLTF, the Fund was already 4 years old. Congress created the Fund in 1986, but did not pass legislation to authorize the use of the money or the collection of revenue to maintain it. It was only after the *T/V Exxon Valdez* grounding and the passage of OPA that authorization was granted.

In addition to authorizing use of the OSLTF, OPA consolidated the liability and compensation requirements of certain prior Federal oil pollution laws and the supporting funds, including:



- Federal Water Pollution Control Act (FWPCA)
- Deepwater Port Act
- Trans-Alaska Pipeline System (TAPS) Authorization Act
- Outer Continental Shelf Lands Act

With the consolidation of those funds and

the collection of a tax on the petroleum industry, the Fund increased to \$1 billion. Fund uses were delineated by OPA to include:

- State access for removal actions
- Payments to Federal, state, and Indian tribe trustees to conduct NRDA and restorations
- Payment of claims for uncompensated removal costs and damages
- Research and development and other specific appropriations

REVENUE SOURCES

The OSLTF has several recurring and nonrecurring sources of revenue.

Previously, the largest source of revenue was a 5-cent per barrel tax, collected from the oil industry, on petroleum produced in, or imported to, the United States. The tax was suspended on July 1, 1993, because the Fund reached its statutory limit. It was reinstated on July 1, 1994, but ceased on December 31, 1994, because of the “sunset” provision in the law.

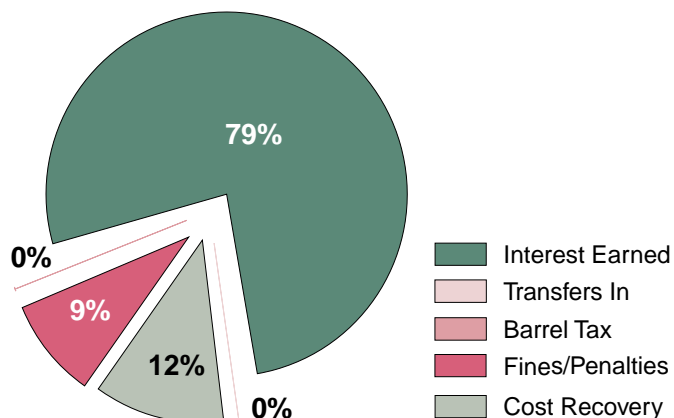
Currently, the largest recurring source of OSLTF revenue is the interest on the Fund principal from U.S. Treasury investments, which accounted for over \$49.3 million (or 79%) of the Fund’s revenue in FY99 and \$62 million (or 22%) in FY00.

A third source is cost recoveries from RPs, which accounted for about \$7.3 million (or 12%) of the Fund’s revenue in FY99 and \$6.6 million (or 2%) in FY00. Those responsible for oil incidents are liable for costs and damages. NPFC bills RPs to recover costs expended by the Fund. As these monies are recovered, they replenish the Fund. Cumulative cost recoveries include pre-OPA recoveries received in Fiscal Years 1991–1994.

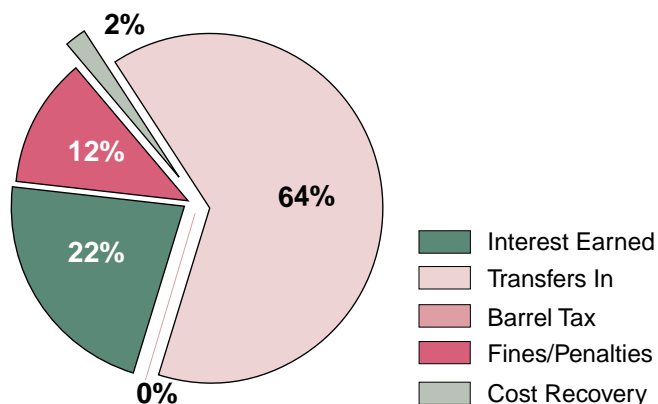
In addition to paying for cleanup costs, RPs may incur fines and civil penalties under OPA or the FWPCA; these payments are also deposited into the Fund. In FY99, they accounted for \$5.5 million (or 9%) of the Fund’s revenue. In FY00, they accounted for \$33.4 million (or 12%) of the Fund’s revenue.

The TAPS Liability Fund is being transferred to the OSLTF in increments; \$119 million was transferred to the Fund in FY95. An additional \$33 million was transferred in FY96. No transfers were received in FY97, FY98, or FY99. In FY00, \$181.8 million (64%) was transferred into the OSLTF.

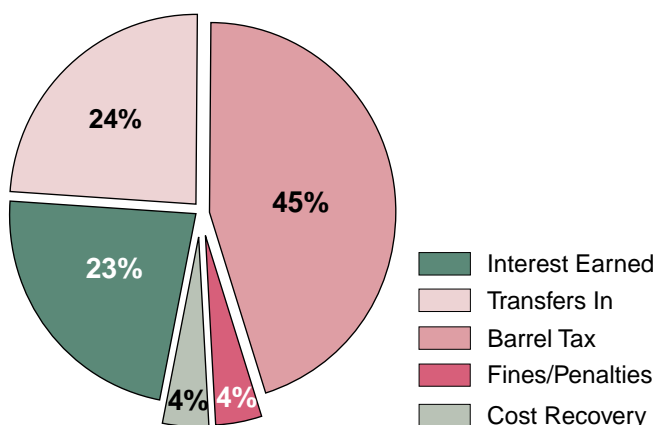
FY99 Revenue



FY00 Revenue



FY90–FY00 Revenue



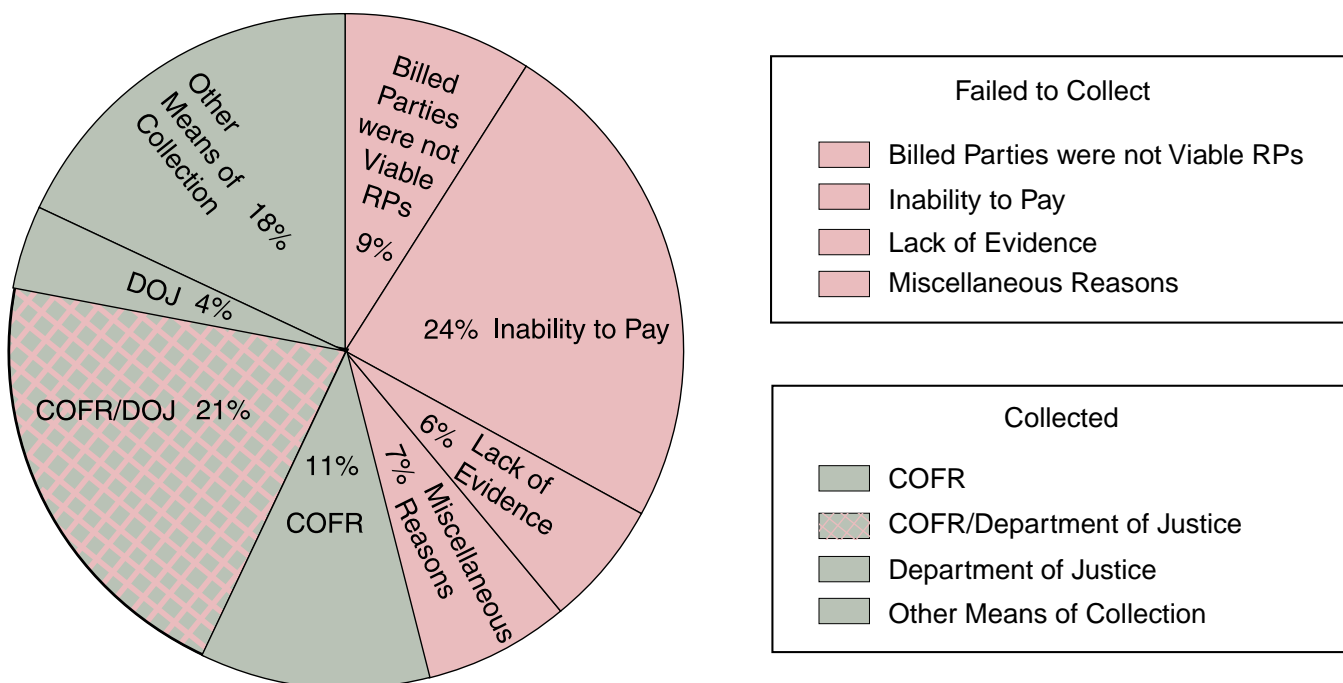
NPFC COST RECOVERY

Recovering monies spent from the OSLTF during an oil spill is a critical part of NPFC's mission. NPFC has an aggressive billing and collection program to recover costs expended by the Fund. All monies collected are redeposited into the OSLTF to replenish the Fund. The following graph shows NPFC's cumulative billings and collections for Fiscal Years 1990–2000 for vessel- and facility-caused spills. NPFC bills RPs for what is spent from the Emergency Fund, for claims paid, and for Coast Guard and EPA staff hours and equipment usage.

For closed billed cases (i.e., those where NPFC has fully collected or has made every attempt to do so), NPFC has collected about 54% of these costs. A large portion of collections, shown here in green, were facilitated by litigation referral to the Department of Justice, by access to the RP's COFR, or by both, as shown in the overlapping slice of this graph.

NPFC has not collected on 46% of costs for various reasons: a lack of sufficient evidence to successfully litigate or otherwise compel the RP to pay; the RP is bankrupt, deceased, or otherwise unable to pay; and, especially on smaller cases, NPFC is unable to find a viable RP.

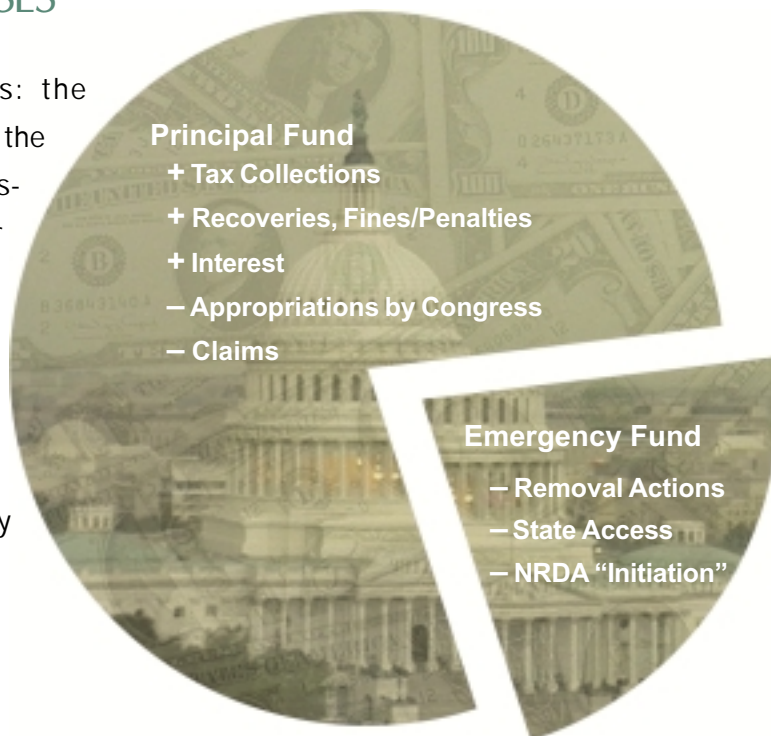
Cost Recovery Results on Closed Billed Cases FY90–FY00



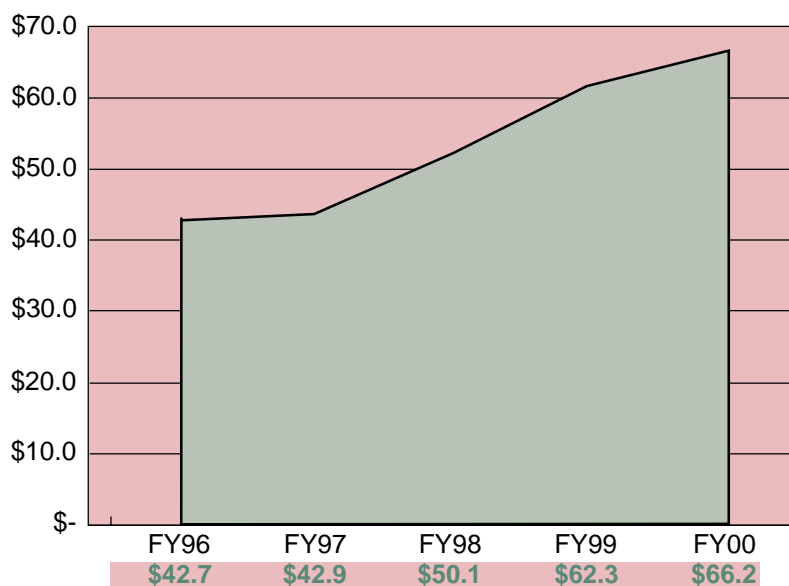
FUND COMPONENTS AND USES

The OSLTF has two major components: the *Emergency Fund* for removal activities and the initiation of natural resource damage assessments, and the *Principal Fund* for all other authorized uses. OPA requires these components to be used for separate, distinct purposes. Expenditures from the Fund for any one oil pollution incident are limited to \$1 billion, and natural resource damage assessments and claims in connection with any single incident are limited to \$500 million.

OSLTF Components



Emergency Fund Usage (in \$ Millions) End of Year Values



THE EMERGENCY FUND

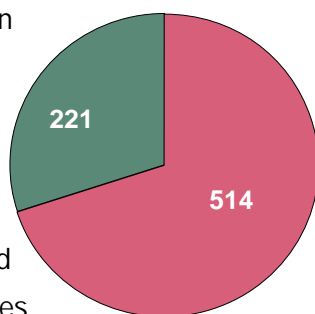
To ensure rapid, effective response to oil spills, the President has the authority to make available, without Congressional appropriation, up to \$50 million each year to fund removal activities and initiate NRDA. Funds not used in a Fiscal Year are available until expended. The graph to the left shows Emergency Fund usage including new cases, ceiling increases for cases opened in prior years, and site-specific interagency agreements with EPA, from FY96–FY00.

REMOVAL ACTIONS

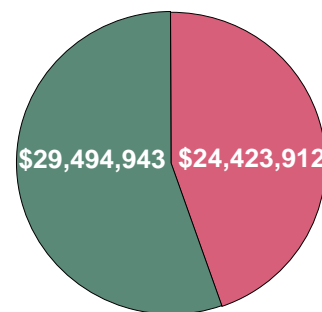
The OSLTF provides funding for oil pollution removal activities when oil is discharged into the surface waters of the United States. Funding is also provided to address the substantial threat of an oil discharge. The Emergency Fund may be used for the following types of removal activities and costs. The list includes, but is not limited to:

- Containing and removing oil from water and shorelines
- Preventing or minimizing oil pollution where there is a substantial and imminent threat of discharge
- Monitoring the activities of RPs

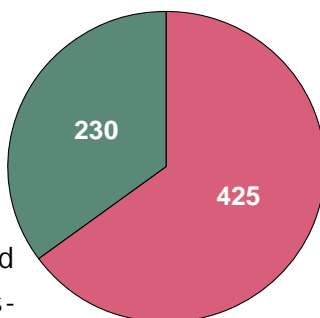
**FY99
Number of Cases**



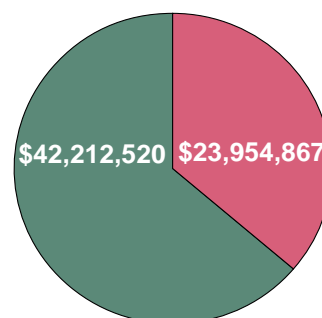
**FY99
Funding for Cases**



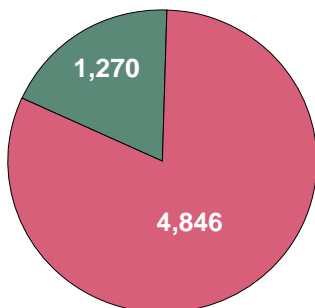
**FY00
Number of Cases**



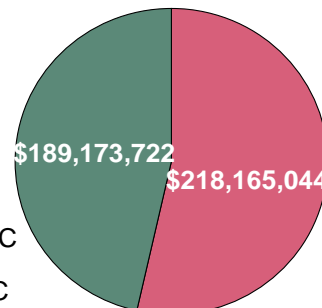
**FY00
Funding for Cases**



**FY90–FY00
Number of Cases**



**FY90–FY00
Funding for Cases**



■ EPA FOSC
■ CG FOSC



REMOVAL COSTS AND SERVICES

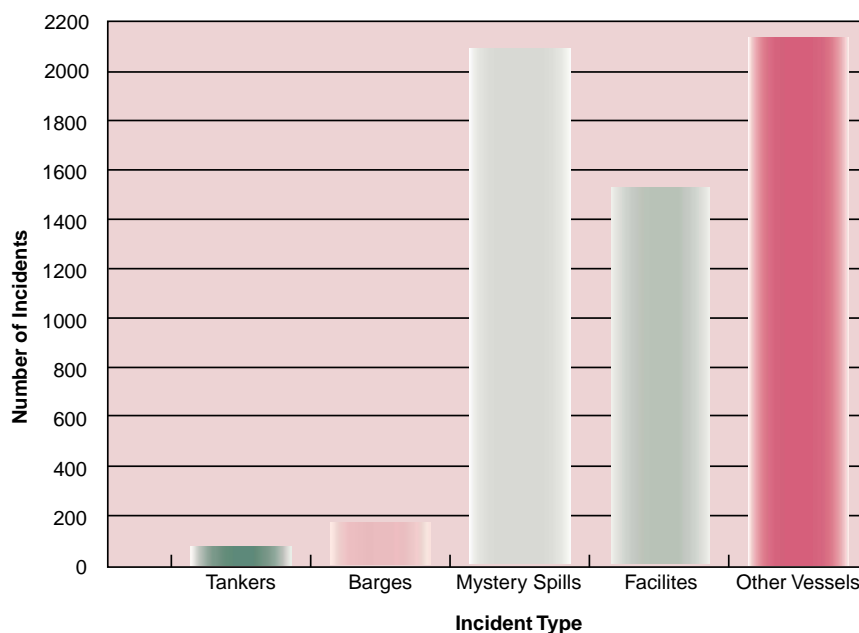
Examples of removal costs and services include the following:

- Contract services
(e.g., cleanup contractors)
- Equipment used in removals
- Chemical testing required to identify the type and source of oil
- Proper disposal of recovered oil and oily debris
- Costs for Government personnel and temporary Government employees hired for the duration of the spill response
- Preparation of documentation for cost recovery
- Search for the identity of the RP(s)

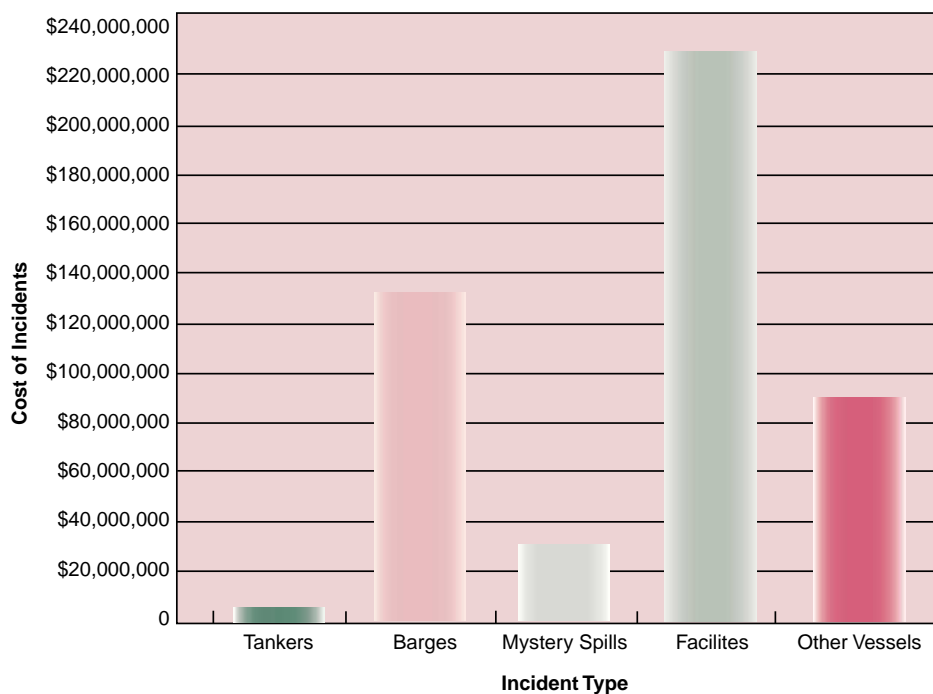
The Coast Guard has responsibility for removal actions in the coastal zone, while EPA has responsibility in the inland zone. The charts on page 18 provide a breakdown of the USCG and EPA cases opened during FY99 and FY00 and a cumulative perspective. While the number of USCG cases has remained relatively stable over the past few years, EPA cases have shown an increase, in both the number of new cases opened and the corresponding dollar amounts. It is important to note that these cases do not represent all cases where oil is spilled, but only those incidents where the OSLTF was accessed and a Federal Project Number was assigned to the case.

Breaking down the data in the charts on page 20 even further, the following graphs show the historical number and cost of incidents, by type, for the period FY90–FY00, as well as specifically for those incidents that occurred during FY99 and FY00. In both years, the source of the majority of incidents was “other vessels” (e.g., fishing vessels, recreational vessels, tugs, etc.), “facilities” (e.g., refineries, tank farms, pipelines, oil wells, etc.), and “mystery spills.”

**Emergency Fund Usage by Category FY90–FY00
(Number of Incidents)**

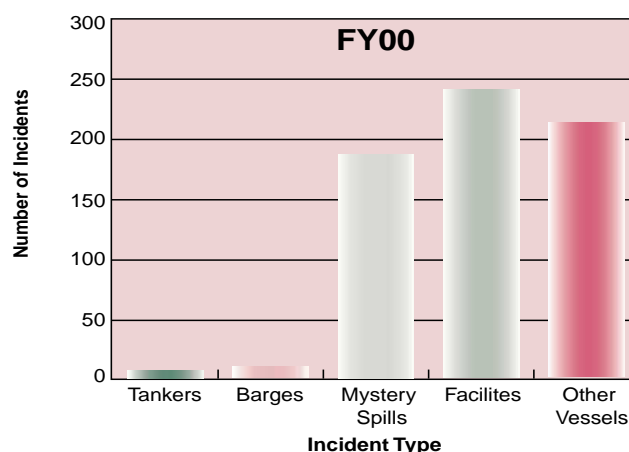
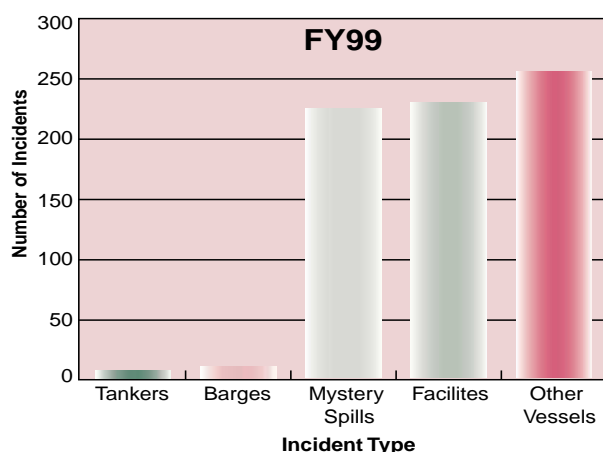


**Emergency Fund Usage by Category FY90–FY00
(Cost of Incidents)**

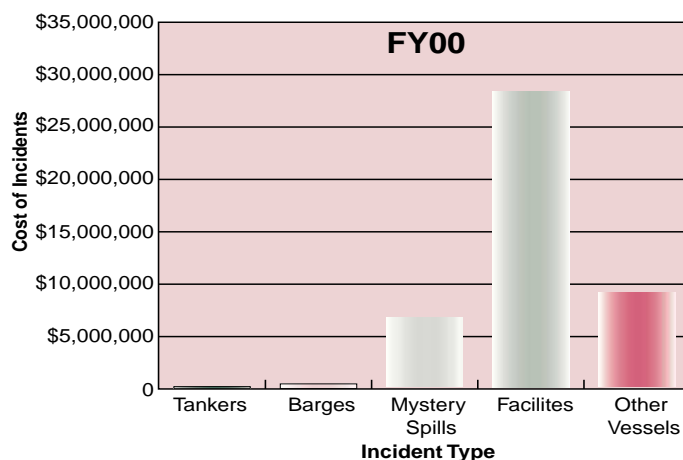
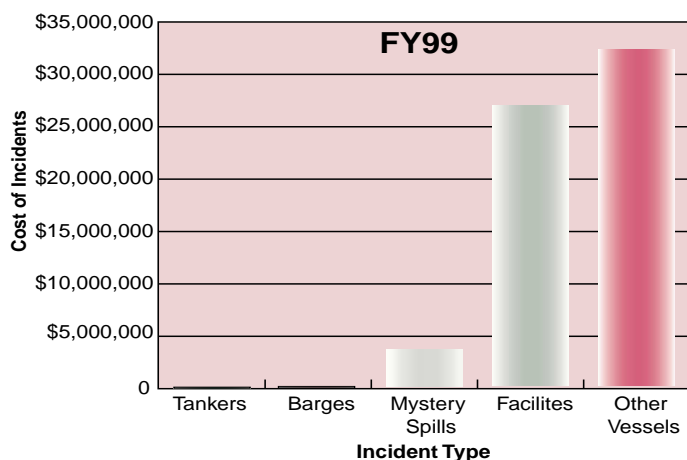


The corresponding “cost of incident” graphs for FY99 and FY00 illustrate that while there were three major sources of spills, the majority of funds were spent in response to “facility” or “other vessel” type incidents. Over the cumulative period FY90–FY00, “other vessels” narrowly edges out “mystery spills” as the most frequent type of spill. Incidents from “facility” sources, however, have accounted for the majority of costs.

Emergency Fund Usage by Category (Number of Incidents)



Emergency Fund Usage by Category (Cost of Incidents)

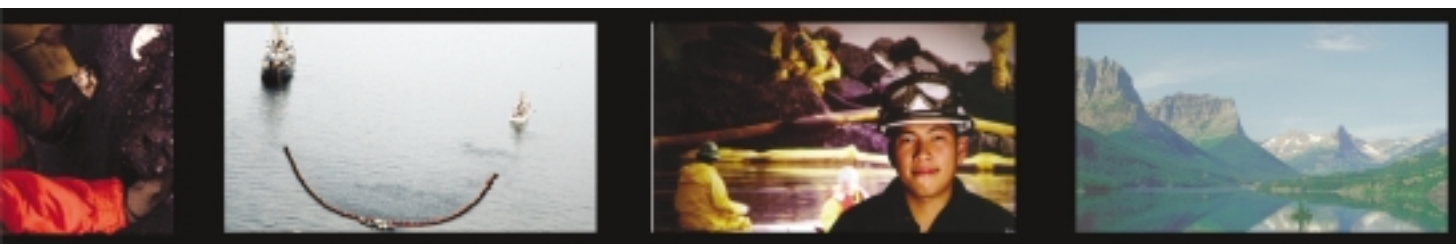




NATURAL RESOURCE DAMAGE ASSESSMENT INITIATION

In response to an OPA incident, the Emergency Fund can be used to pay for the Initiation of Natural Resource Damage Assessments (INRDA) conducted by designated natural resource trustees. In the preassessment phase, outlined in 15 CFR 990, Subpart D, trustees must determine whether there is jurisdiction to pursue restoration under OPA and, if so, whether it is appropriate to do so. The NPFC and the FLAT will execute an Inter-Agency Agreement (IAG) for each OPA incident requiring funds for preassessment phase activities involved in the initiation of an NRDA. The FLAT submits a request for the initiation on behalf of the affected Federal, state, Indian tribe, or foreign trustees to the NPFC Regional Manager who assigns a Case Officer to coordinate access to the OSLTF. The NPFC Case Officer ensures that the FOSC is notified that preassessment phase activities are being performed for the incident.

As designated by OPA, natural resource trustees include authorized representatives from the U.S. Departments of Commerce (NOAA), Interior, Defense, Agriculture, and Energy, as well as from states, Indian tribes, and foreign trustees. Executive Order 12777 limits payments to the five Federal trustees that may act to allocate funds for preassessment activities among all affected trustees. The “Inter-Agency Agreement to Initiate the Assessment of Natural Resource Damages” is reviewed by the appropriate NPFC Case Team to ensure conformity with OPA requirements, applicable Federal regulations, and NPFC operating procedures.



While the criteria for funding eligibility remain the same, the NPFC does not impose absolute time limits on Federal trustees for NRDA Initiate IAGs. The length of time depends on the particular situation and is determined by the trustees. FY93 was the first year that the NPFC received an Initiate request. Five Initiate requests were submitted that Fiscal Year, totaling \$567,000. FY94 ended with an additional 11 requests totaling \$744,000. The NPFC received one request during FY95 for \$253,000 and another in FY96 totaling \$254,352. There were no new Initiate requests funded during FY97. In FY98, three Initiate requests were received totaling \$660,206. During FY99, there was one Initiate request received at \$148,826. In FY00, there were no new Initiate requests.

STATE ACCESS

State access to the OSLTF is provided by OPA and is a process through which states can directly receive Federal funds for immediate removal costs in response to an actual or substantial threat of a discharge of oil, after coordination with and approval by the FOSC. In accordance with OPA, states are limited to \$250,000 per incident for removal costs consistent with the National Contingency Plan (NCP). State access does not supersede or preclude the use of other Federal payment regimes. States may also obtain Federal funding for oil spill removal actions by acting as a contractor to the FOSC or by using the claims process. Neither of these methods is subject to the \$250,000 limit per incident. In FY99, NPFC received one state access request (from Indiana) totaling \$25,000. No state access requests were received in FY00.

USE OF OSLTF BY STATE

The table on page 27 reports OSLTF costs by state for the last 5 years (FY96 through FY00). These are cases opened by either Coast Guard or EPA FOSCs, or claims submitted by third parties who suffered OPA damages as a result of an oil spill to navigable U.S. waters. What is remarkable about the table is the extent of federal oil spill spending throughout the United States and its territories. Only North Dakota had no federally funded oil spill removals or claims during this period. In short, every state and territory is at risk for oil spills.

Some patterns seemingly make sense: Louisiana, Texas, California, and Alaska are big coastal states with significant oil transport and production. It follows that they have many spills that require Federal funds. Others are not as obvious: Kentucky, Pennsylvania, Kansas, Oklahoma, and Illinois are nearly landlocked, but are the site of significant abandoned oil production wells and facilities that are now being cleaned up using OSLTF resources. Thirty-four states (out of 55 states and territories) had combined OSLTF costs that exceeded \$1million during this period. Clearly, the Federal response mechanism, the National Contingency Plan, and the Oil Spill Liability Trust Fund provide a significant benefit to all states when faced with the operational and financial burden of responding to oil spills threatening their citizens and businesses.

SIGNIFICANT CASES

Each year several large cases predominate in total costs incurred for that particular year (e.g., cases exceeding \$350,000 in removal costs and claims). Cases meeting this criterion are listed in the tables on pages 28 and 29, and most are still pending cost recovery. Amounts for many of the cases are preliminary.

Oil Spill Response Funds FY96 –FY00						
STATE*	1996	1997	1998	1999	2000	TOTAL FY96–FY00
AK	\$1,128,738	\$228,431	\$5,726,745	\$1,834,800	\$834,000	\$9,752,714
AL	\$113,981	\$221,189	\$99,849	\$82,482	\$225,946	\$743,448
AR	\$310	\$5,127	\$3,303	\$10,000	\$680,000	\$698,739
AS	\$109,057	\$94,271	\$114,493	\$17,164,861	\$30,976	\$17,513,658
AZ	\$550,000				\$50,000	\$600,000
CA	\$819,386	\$2,125,093	\$5,357,270	\$6,694,975	\$1,205,051	\$16,201,775
CO	\$366,000	\$51,868	\$160,000	\$339,500	\$160,000	\$1,077,368
CT	\$893,144	\$2,068,462	\$128,122	\$33,444	\$671,713	\$3,794,885
DC		\$31,363	\$10,771	\$11,304	\$15,632	\$69,069
DE	\$94,194	\$23,530	\$17,373	\$78,028	\$300,000	\$513,125
FL	\$312,477	\$363,958	\$363,936	\$689,269	\$2,816,449	\$4,546,089
GA	\$11,248	\$2,886,699	\$44,263	\$104,564	\$217,560	\$3,264,334
GU	\$80,299	\$9,788	\$35,423	\$217,188	\$50,000	\$392,698
HI	\$1,178,017	\$67,049	\$196,790	\$751,737	\$2,015,066	\$4,208,660
IA	\$210,713	\$11,135	\$1,550,000		\$385,000	\$2,156,848
ID	\$1,065,714		\$762,000	\$10,000	\$60,000	\$1,897,714
IL	\$537,123	\$2,437,982	\$1,863,717	\$2,669,553	\$1,099,500	\$8,607,875
IN	\$785,720	\$37,362	\$1,996,950	\$798,655	\$375,000	\$3,993,687
KS		\$26,441	\$8,076,779	\$150,000	\$2,370,500	\$10,623,720
KY	\$149,178	\$6,185,036	\$122,635	\$5,630,184	\$2,018,000	\$14,105,034
LA	\$5,607,226	\$2,618,273	\$3,189,125	\$9,402,829	\$9,025,259	\$29,842,712
MA	\$58,273	\$50,426	\$2,166,751	\$80,057	\$437,326	\$2,792,833
MD	\$276,960	\$2,288,779	\$25,804	\$39,510	\$5,061,870	\$7,692,924
ME	\$1,054,650	\$157,077	\$51,484	\$17,834	\$1,564,500	\$2,845,545
MI	\$3,902,618	\$137,262	\$2,146,178	\$211,395	\$140,613	\$6,538,067
MN		\$3,510	\$2,345	\$9,378		\$15,233
MO	\$227,032	\$120,107	\$379,597	\$92,717	\$237,000	\$1,056,452
MS	\$188,772	\$109,085	\$113,766	\$125,233	\$1,592,775	\$2,129,630
MT		\$69,639		\$230,000		\$299,639
NC	\$240,947	\$140,634	\$137,932	\$151,037	\$502,352	\$1,172,902
ND						\$0
NE	\$0			\$90,000	\$16,000	\$106,000
NH	\$8,308	\$773,416	\$24,684	\$95,617	\$28,083	\$930,109
NJ	\$1,956,232	\$154,603	\$92,891	\$66,588	\$391,195	\$2,661,509
NM		\$175,000	\$12,881	\$10,000		\$197,881
NV		\$30,000				\$30,000
NY	\$828,380	\$64,439	\$974,798	\$587,044	\$263,077	\$2,717,738
OH	\$3,081,501	\$205,243	\$444,446	\$3,785,609	\$563,960	\$8,080,758
OK	\$5,050,774	\$1,975,968	\$1,481,103	\$220,000	\$495,000	\$9,222,844
OR	\$371,537	\$185,325	\$115,213	\$7,936,951	\$153,996	\$8,763,023
PA	\$8,256,145	\$724,843	\$1,483,041	\$1,937,713	\$1,702,126	\$14,103,868
PR	\$146,924	\$587,505	\$256,692	\$38,222	\$1,728,944	\$2,758,288
RI	\$6,639,268	\$51,605	\$310,104	\$122,955	\$246,413	\$7,370,344
SC	\$52,749	\$12,980	\$0	\$89,680	\$55,000	\$210,409
SD	\$4,750,000					\$4,750,000
TN	\$14,137	\$19,474	\$24,636	\$491,332	\$125,638	\$675,217
TX	\$21,378,780	\$466,601	\$924,531	\$1,144,467	\$1,038,283	\$24,952,663
UT		\$116,000		\$5,000	\$40,000	\$161,000
VA	\$44,607	\$378,783	\$89,564	\$53,052	\$371,189	\$937,196
VI		\$250,000	\$6,216	\$16,506		\$272,722
VT					\$100,000	\$100,000
WA	\$329,418	\$161,229	\$132,077	\$1,046,033	\$457,827	\$2,126,584
WI	\$3,840		\$19,257		\$10,191	\$33,288
WV	\$433,779	\$1,293,671	\$1,104,044	\$48,000	\$2,245,723	\$5,125,217
WY		\$75,000	\$200,000	\$10,000		\$285,000

*Includes District of Columbia, U.S. Territories

FY	FPN	CASES OVER \$350K	PROJECT COSTS	SOURCE OF SPILL	OSC
96	086075	T/B BUFFALO #292	\$ 18,422,026	Vessel	MSO Houston
	016203	M/V SCANDIA & T/B NORTH CAPE	\$ 6,574,603	Vessel	MSO Providence
	056057	TRANQUCH GASOLINE	\$ 5,386,750	Facility	EPA Region III
	086095	COAL GASIFICATION PLANT	\$ 4,700,000	Facility	EPA Region VIII
	086122	LAKE OOLOGAH OIL WELLS	\$ 4,486,054	Facility	EPA Region VI
	096034	ZEPHYR REFINERY	\$ 3,666,450	Facility	EPA Region V
	086024	INTERCOASTAL OIL COMPANY	\$ 2,750,000	Facility	EPA Region VI
	056032	HOMETOWN GASOLINE	\$ 2,523,882	Facility	EPA Region III
	096008	EDWARD A. KIDSTON	\$ 2,204,902	Facility	EPA Region V
	146037	CHEVRON PIPELINE	\$ 1,540,222	Facility	MSO Honolulu
	016600	GREEN POND ROAD	\$ 1,500,000	Facility	EPA Region II
	086144	CASTEX SYSTEMS	\$ 1,310,000	Facility	EPA Region VI
	136045	V 1 PETROLEUM	\$ 1,167,000	Facility	EPA Region X
	086113	T/B BUFFALO #286	\$ 1,000,000	Vessel	MSO Houston
	086119	SHORE REFINERY	\$ 919,135	Facility	EPA Region VI
	016405	T/V JULIE N	\$ 839,157	Vessel	MSO Portland, ME
	086136	RIVERBEND FACILITIES	\$ 730,670	Facility	EPA Region VI
	176010	M/V CITRUS	\$ 722,000	Vessel	MSO Anchorage
	086149	SOMERSET REFINING	\$ 702,900	Facility	EPA Region V
	016501	SUPERIOR PRODUCTS DIST., INC.	\$ 591,023	Facility	EPA Region I
	9C7593	BURGESS TANK FARM	\$ 590,162	Damage Claim	Not Applicable
	116025	TRI CITY OIL	\$ 550,000	Facility	EPA Region IX
	086120	VODA PETROLEUM SITE	\$ 546,385	Facility	EPA Region VI
	086183	JOHNSON VILLAGE	\$ 480,000	Mystery	EPA Region VIII
	086126	USS CABOT	\$ 468,340	Vessel	MSO New Orleans
	026003	WAYNE COUNTY	\$ 450,000	Facility	EPA Region V
	086124	ELK CITY OK	\$ 450,000	Facility	EPA Region VI
	096025	FRANK MADISON	\$ 437,456	Facility	EPA Region V
	096026	NACELLE LAND & MGMT	\$ 409,074	Facility	EPA Region V
	136015	CITY OF NEWPORT PIER	\$ 361,275	Facility	MSO Portland, OR
97	087272	TAFFY FIELD OIL WELLS	\$ 4,120,085	Facility	EPA Region IV
	077054	GC QUALITY LUBRICANTS	\$ 2,834,000	Facility	EPA Region IV
	017502	SOUTHINGTON CT	\$ 2,050,000	Mystery	EPA Region I
	057017	DALE ENTERPRISES	\$ 1,950,000	Facility	EPA Region III
	087149	OVERHOLT TRUCKING TANK FARM	\$ 1,800,000	Facility	EPA Region VI
	087190	INDIAN REFINERY	\$ 1,500,000	Facility	EPA Region V
	117002	M/V CAPE MOHICAN	\$ 1,219,241	Vessel	MSO San Francisco
	087151	USS CABOT	\$ 1,139,675	Vessel	MSO New Orleans
	087027	BULL CREEK OIL WELLS	\$ 996,282	Facility	EPA Region III
	087270	GUFFIE FIELD WELLS	\$ 820,000	Facility	EPA Region IV
	017504	GREEN TANNERY	\$ 760,000	Facility	EPA Region I
	087249	OIL TANK FACILITY	\$ 640,000	Facility	EPA Region
	087269	DARK HOLLOW ABANDONED OIL	\$ 500,000	Facility	EPA Region IV
	087059	PADRE REFINERY	\$ 488,871	Facility	EPA Region VI
	087268	CAPSHAW HOLLOW WELL	\$ 485,000	Facility	EPA Region IV
	117026	TORO CANYON	\$ 400,000	Facility	EPA Region IX
	077023	SAN JUAN PORT AUTHORITY	\$ 353,171	Facility	MSO San Juan
98	088040	MID-AMERICA OIL REF	\$ 7,489,740	Facility	EPA Region VII
	178010	M/V KUROSHIMA	\$ 5,307,060	Vessel	MSO Anchorage
	018504	W&S LAUNDRY #2	\$ 2,134,035	Facility	EPA Region I
	088052	DILLMAN OIL SITE	\$ 1,798,900	Facility	EPA Region V
	098003	CRYSTAL REFINERY	\$ 1,744,600	Facility	EPA Region V
	118032	M/V COMMAND	\$ 1,256,983	Vessel	MSO San Francisco
	118004	M/V KURE	\$ 1,250,000	Vessel	MSO San Francisco
	088049	MINDEN AIRPORT	\$ 1,200,000	Facility	EPA Region VI
	088276	A-1 SEPTIC SRVC	\$ 1,100,000	Facility	EPA Region VII
	088081	HUDSON OIL REFINERY	\$ 1,085,000	Facility	EPA Region VI
	138021	PAYLESS GAS	\$ 1,019,734	Facility	EPA Region X
	098022	INDUSTRIAL HWY	\$ 1,001,232	Facility	EPA Region V
	118006	MYSTERY SPILL	\$ 962,146	Mystery	MSO San Francisco
	058518	AVERY FARM	\$ 766,760	Facility	EPA Region III
	088003	OR 176 OIL WELLS	\$ 740,000	Facility	EPA Region III
	118012	MYSTERY SPILL	\$ 700,000	Mystery	MSO San Francisco
	098004	UNROYAL PLASTICS & CHEM	\$ 579,790	Facility	EPA Region V
	058010	LEHMAN SUNOCO GAS	\$ 565,000	Facility	EPA Region III
	118002	MYSTERY SPILL	\$ 550,000	Mystery	MSO San Francisco
	018600	MATT PETROLEUM CO.	\$ 500,000	Facility	EPA Region II
	088242	IOWA SANITATION ENVIRO.	\$ 450,000	Facility	EPA Region VII

FY	FPN	CASES OVER \$350K	PROJECT COSTS	SOURCE OF SPILL	OSC
98	118005	F/V LADY CHRISTINE	\$ 450,000	Vessel	MSO LA/LB
	088189	ABANDONED BARGE	\$ 450,000	Vessel	MSO Morgan City
	088107	M/V FLORIDA SEA HORSE	\$ 430,000	Vessel	MSO Morgan City
	098008	WAYNE CHEMICAL	\$ 350,000	Facility	EPA Region V
99	H99024	F/V YU TE #1	\$ 7,542,177	Vessel	MSO Honolulu
	S99018	M/V NEW CARISSA	\$ 7,400,444	Vessel	MSO Portland, OR
	A99038	WESTLEY TIRE FIRE	\$ 5,004,075	Facility	EPA Region IX
	H99025	F/V AMIGA #5	\$ 3,400,000	Vessel	MSO Honolulu
	G99032	LAKE UNDERGROUND	\$ 1,800,000	Facility	EPA Region V
	H99020	F/V KWANG MYONG #72	\$ 1,780,000	Vessel	MSO Honolulu
	N99122	FORD FIELD OIL WELLS	\$ 1,598,125	Facility	EPA Region IV
	N99188	O'NIELL OIL- WEST DUET	\$ 1,500,000	Facility	EPA Region VI
	N99259	M/V UNION FAITH	\$ 1,500,000	Vessel	MSO New Orleans
	P99013	ONOFRIO ESTATE	\$ 1,482,713	Facility	EPA Region III
	N99073	BARGE BAYOU ZACHARY	\$ 1,450,000	Vessel	EPA Region VI
	N99072	ABERCROMBIE WELL# 1	\$ 1,340,000	Facility	EPA Region VI
	N99102	FIREBALL PRODUCTION	\$ 1,272,100	Facility	EPA Region V
	N99124	POOLE FIELD OIL WELLS	\$ 1,191,898	Facility	EPA Region IV
	N99274	KIRBY TIRE RECYCLING	\$ 1,163,047	Facility	EPA Region V
	N99123	SEBREE FIELD WELLS	\$ 1,150,000	Facility	EPA Region IV
	H99018	F/V KWANG MYONG #58	\$ 1,145,000	Vessel	MSO Honolulu
	H99019	F/V KWANG MYONG	\$ 1,135,000	Vessel	MSO Honolulu
	H99022	F/V KORAM #3	\$ 985,000	Vessel	MSO Honolulu
	N99120	OKLAHOMA FIELD WELLS	\$ 981,000	Facility	EPA Region IV
	H99021	F/V KORAM #1	\$ 960,000	Vessel	MSO Honolulu
	H99017	F/V KWANG MYONG #51	\$ 790,000	Vessel	MSO Honolulu
	N99135	CHAIN OIL & GAS	\$ 750,000	Facility	EPA Region VI
	N99269	ABANDONED OIL REFINERY	\$ 747,600	Facility	EPA Region V
	J99051	M/V WILDERNESS ADV	\$ 600,000	Vessel	MSO Juneau
	N99121	DEAN FIELD OIL WELLS	\$ 590,000	Facility	EPA Region IV
	H99023	F/V KORBEE #7	\$ 540,000	Vessel	MSO Honolulu
	A99035	M/V STUYVESANT	\$ 500,000	Vessel	MSO San Francisco
	N99034	LEAKING U/G WELLS	\$ 460,500	Mystery	EPA Region V
	N99109	WESTEN OIL & GAS INC.	\$ 451,849	Facility	MSO Morgan City
	N99255	20 HOUSE BOATS & P/C	\$ 425,000	Vessel	EPA Region IV
	A99009	GARDEN GROVE MAINTEN.	\$ 405,419	Facility	MSO LA/LB
	N99209	WOOD ENERGY REMEDIATION	\$ 400,000	Facility	MSO New Orleans
	N99248	M/T NORD JAHRE PRINCESS	\$ 370,191	Vessel	MSO Galveston
	N99071	PRODUCTION GAUGING	\$ 350,000	Facility	EPA Region VI
00	P00056	PATUXENT RIVER SPILL	\$ 5,000,000	Facility	EPA Region III
	M00023	DREDGING OPERATIONS	\$ 2,300,000	Mystery	MSO Tampa
	N00260	PITCHER PROPERTY SITE	\$ 1,768,500	Facility	EPA Region VII
	H00016	F/V SWORDMAN I	\$ 1,625,000	Vessel	MSO Honolulu
	M00016	M/V SERGO ZAKARIADZE	\$ 1,500,000	Vessel	MSO San Juan
	N00235	O'NIELL OIL CO	\$ 1,400,000	Facility	MSO Morgan City
	P00071	MCCRACKEN FARM	\$ 1,294,126	Facility	EPA Region III
	N00297	BARETT REFINERY	\$ 1,100,000	Facility	EPA Region IV
	N00023	HACKBERRY PITS	\$ 1,050,000	Facility	EPA Region VI
	B00400	F/V JESSICA ANN	\$ 955,000	Vessel	MSO Portland, ME
	N00261	O'NIELL TANK BATTERY	\$ 950,000	Facility	MSO Morgan City
	N00218	ALADDIN-EDGEWOOD LAND & LUMBER	\$ 850,000	Facility	EPA Region VI
	N00241	MORGAN FIELD	\$ 830,000	Facility	EPA Region IV
	N00149	WHEELING PIT STEEL	\$ 781,723	Facility	EPA Region V
	N00109	BLACK BAYOU SPIL	\$ 750,000	Mystery	EPA Region VI
	N00017	PARAWAX, OKLAHOMA CIT	\$ 735,000	Facility	EPA Region VI
	N00193	MORO BAY OIL PIT SITE	\$ 650,000	Facility	EPA Region VI
	N00148	W. E. WALKER T.B. #1	\$ 625,000	Facility	EPA Region VI
	B00505	MYSTERY SPILL	\$ 600,000	Mystery	EPA Region I
	B00403	P/C ROSE OF SHARON	\$ 530,000	Vessel	MSO Portland, ME
	N00146	GULF FEE LEASE SITE	\$ 500,000	Facility	EPA Region VI
	N00147	ALADDIN-EDGEWOOD	\$ 500,000	Facility	EPA Region VI
	N00211	STANLEY FIELDS	\$ 490,000	Facility	EPA Region IV
	N00225	ALLEN COUNTY CRUDE	\$ 450,000	Facility	EPA Region VII
	N00255	MOUNT OLIVE WELL	\$ 425,000	Facility	EPA Region III
	A00028	CONNEXX OIL CO.	\$ 400,000	Facility	EPA Region IX
	N00245	PUMPING STATION	\$ 400,000	Facility	EPA Region V
	N00138	FLOYD COUNTY TIRE FIRE	\$ 360,000	Facility	EPA Region VII
	A00002	BALLONA CREEK	\$ 350,000	Facility	MSO LA/LB

THE PRINCIPAL FUND

The Principal Fund, that portion of the OSLTF exclusive of the Emergency Fund, is used primarily to carry out three functions:

- Adjudication and payment of claims for certain uncompensated removal costs and damages (appropriation from Congress not required)
- Implementation, administration, and enforcement of OPA
- Research and development

The latter two uses require a Congressional appropriation.

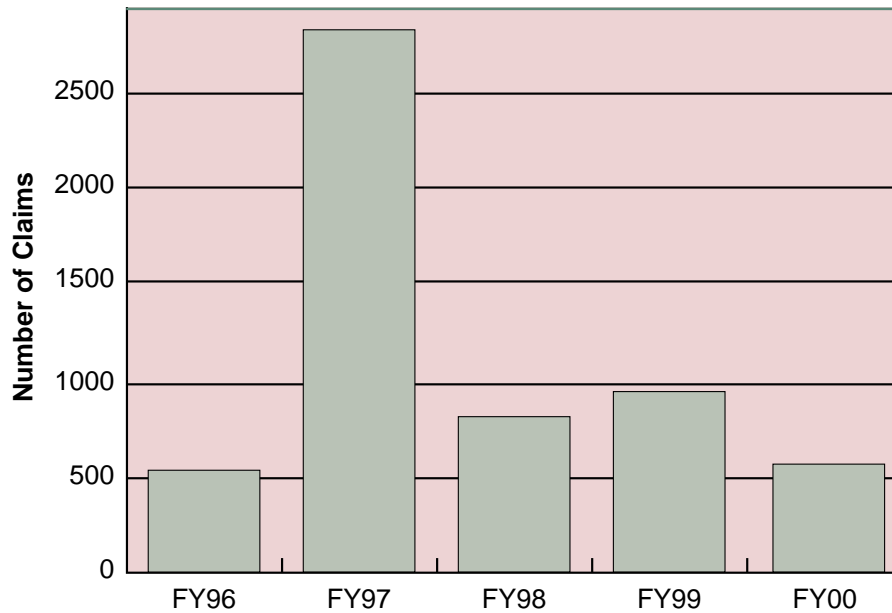
CLAIMS

To centralize the OSLTF claims process, the Coast Guard received an unlimited delegation of authority from the President to adjudicate claims presented to the OSLTF. This authority was further delegated to the NPFC on March 12, 1992. The NPFC's claim procedures attempt to strike a reasonable balance between the objectives of compensating deserving claimants and acting as a fiduciary for the Fund by ensuring that the funds are spent properly. Before claimants can be compensated, they must satisfy the statutory requirements of OPA. For example, the incident must involve a discharge of oil, or a substantial threat of a discharge, into the navigable waters of the United States, and the claim must be submitted within the statute of limitations (3 years for damages, 6 years for removal costs). Additionally, a claimant must claim a damage compensable under OPA and must have first presented the claim to the RP or guarantor.

The most common claim type received by the NPFC is removal cost claims. These claims may be submitted by any person who has incurred costs for removal actions that are consistent with the NCP. Removal cost claimants include state governments, putative RPs who can show that the oil came from another source, cleanup contractors who have not been paid by the hiring RP, and members of the public who have discovered a spill and responded to the need for cleanup. In all instances, the removal activity should be coordinated with the FOSC for purposes of establishing that there was a discharge or substantial threat of a discharge of oil into navigable waters and that the actions taken were consistent with the NCP. The NPFC will reimburse the reasonable uncompensated cost of oil removal. NPFC has installed a toll-free number for use by claimants: (800) 280-7118.

During FY99, the NPFC paid 471 claims to various states, trustees, corporations, and private citizens. During FY00, the NPFC paid 626 claims to various states, trustees, corporations, and private citizens. When there is an identified RP, claims payments and Government adjudication costs are included in the billing and cost recovery process.

Claims Submissions FY96–FY00



The chart shows the number of claims submitted to the NPFC for FY96–FY00. The dramatic spike in the number of claims submitted to the NPFC in FY97 is because that is the first year in which claims for natural resource damages were accepted. These numbers include NRD claims submitted between FY97 and FY00. In

future years, the NRD statistics will be reported separately as the Division gains more experience and history.

The charts on page 32 represent the total number of claims presented, paid, pending, denied, withdrawn, or administratively closed during FY99 and FY00 and cumulatively from FY96–FY00. A brief explanation of each claim category follows.

Pending: Those claims that have not been completely adjudicated. They include those pending calculation, awaiting additional information, and awaiting acceptance of a settlement offer.

Denied: Claims that fail to meet the statutory or regulatory requirements, or that fail to meet the burden of proof. Examples include claims for damages that do not result from a discharge of oil into navigable waters, or claims for losses that are speculative or unsubstantiated by the accompanying documentation.

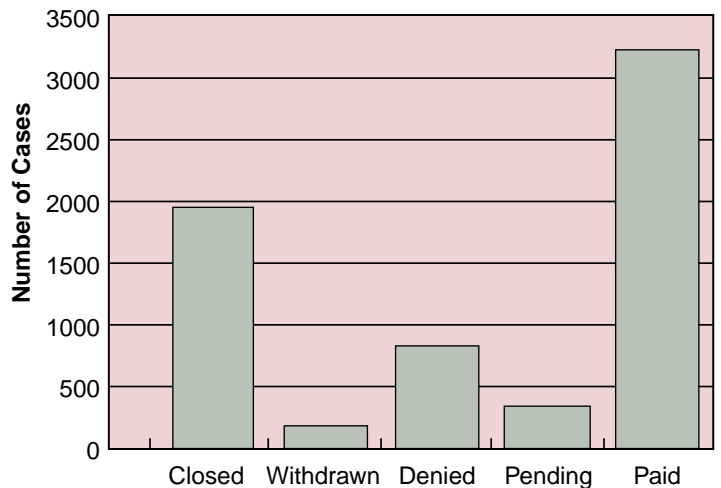
Withdrawn: Claims withdrawn by the claimant. The claimant still retains the right to resubmit the claim within the statutory period.

Closed: Claims closed by NPFC for administrative purposes, such as those claims that are the subject of pending litigation.

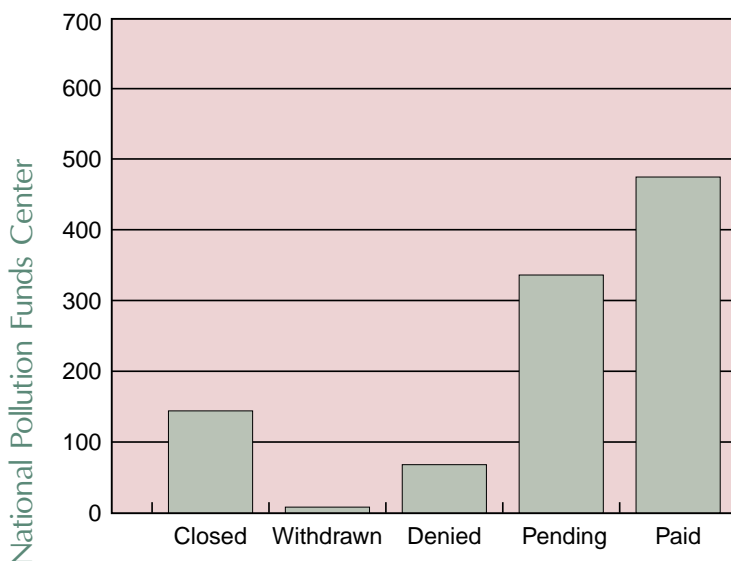
Claims Paid Data FY96–FY00

FISCAL YEAR	TYPE	#	\$\$
1996	STATE	165	\$ 598,413
	CORP/PRIVATE	69	\$1,028,104
1997	STATE	1,104	\$2,037,240
	CORP/PRIVATE	188	\$2,560,196
1998	STATE	560	\$2,031,452
	CORP/PRIVATE	64	\$1,912,945
1999	STATE	411	\$ 970,734
	CORP/PRIVATE	59	\$2,947,087
	TRUSTEE	1	\$6,772,177
2000	STATE	454	\$ 446,177
	CORPORATION	172	\$1,958,460
FY96-FY00 Total		3,247	\$23,262,985

Claims Activity FY96–FY00



Claims Activity FY99



Claims Activity FY00



While the NPFC has provided (and will continue to provide) limited funding to trustees to initiate NRDAs, until the summer of 1999 it did not pay NRD claims. Rather, the NPFC relied on a Comptroller General opinion, issued in late 1995, that OPA provided for payment of NRD claims from the OSLTF only by appropriation. In late 1997, the Department of Justice, Office of Legal Counsel, made a determination that natural resource damages are payable from the OSLTF without further appropriation, like other OPA damage and removal cost claims. NPFC organized and established an NRD Claims Division to adjudicate and pay NRD claims, the first of which was paid in September 1999.

Under OPA, “natural resources” include land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including resources of the exclusive economic zone), any state or local government or Indian tribe, or any foreign government.

Federal, state, Indian, and foreign trustees are designated pursuant to OPA. Federal trustees are designated by the President; the governor of each state shall designate state and local officials as state trustees. The head of a foreign government may designate the trustee who shall act on behalf of that government. The governing body of any Indian tribe shall designate tribal officials who may act on behalf of the tribe or its members. Further, the Indian tribe must be recognized as eligible for the special programs and services provided by the United States because of their status as Indians and must have governmental authority over lands belonging to or controlled by the tribe.

Only designated trustees may submit OPA NRD claims. Notice of designation should be provided to the NPFC to establish the authority of the claimant who is submitting the claim.

The threshold procedure for submission of the claim to the NPFC is the same for trustees as it is for other claimants. For example, the NRD claim the trustee presents to the NPFC for payment from the OSLTF must first have been presented to the RP or its guarantor.





Under OPA, the trustees assess natural resource damages and develop and implement plans to restore damaged natural resources. The costs of damage assessment and restoration must be determined with respect to plans adopted by the trustee. These plans must be developed and implemented only after adequate public notice, opportunity for a hearing, and consideration of all public comment.

OPA expressly states that there shall be no double payment for NRD claims. The NPFC will pay only once to compensate a damaged natural resource. Because of the obvious potential for overlapping jurisdiction, payment to one trustee could preclude compensation to a co-trustee for the same natural resource damage. Coordination between the affected trustees is therefore very important and to the benefit of all trustees. The Interim Final Claims Regulations encourage the trustees to name a Federal Lead Administrative Trustee (FLAT) to coordinate between the trustees and to act as the liaison with the NPFC.

Any amounts recovered, whether from an RP or from the OSLTF under the NPFC claims regulations, must be retained by the trustee in a revolving trust account for use only to reimburse and pay costs incurred by trustees to assess the damage to natural resources and develop and implement plans to restore, replace, rehabilitate, or acquire the equivalent of the damaged natural resources. Any recovered amount that remains after the project or plan is completed must be deposited into the OSLTF.

To file an NRD claim with the NPFC, the Statute of Limitations (SOL) under OPA is whichever is later: 3 years from the date the injury and connection with the discharge was reasonably discovered with due care, or 3 years from the date an assessment is completed in accordance with the damage assessment regulations published by NOAA Title 15 Code of Federal Regulations Part 990.

Following the U.S. Comptroller General's decision that the NPFC could not adjudicate claims for natural resource damages under OPA, any NRD claims previously received were rejected or are being held at the NPFC. If those rejected claims were originally submitted within the SOL, they can be resubmitted for adjudication.

AGENCY APPROPRIATIONS

As of FY98, the Federal agencies shown in the table to the right have requested and received Congressional approval for appropriations from the OSLTF to cover certain administrative, operational, and personnel costs. Included in these appropriations is the funding to conduct some tasks cited in Title VII of OPA to develop a comprehensive oil pollution research and development program.

In FY97, Congress amended OPA to provide funding for the Prince William Sound Oil Spill Recovery Institute (PWS OSRI) from the interest earned on TAPS monies previously transferred to the OSLTF. This funding will continue for the next 10 years, based on the interest earned the previous year. FY97 funding reported is based on interest earned for more than a year since the TAPS funds were transferred to the OSLTF during FY95.

Agency Appropriations FY96–FY00		
1996	CG	\$60,440,177
	EPA	\$15,000,000
	MMS	\$6,400,000
	RSPA	\$2,152,553
	ACOE	\$853,297
	TREASURY	-
1997	CG	\$50,487,156
	EPA	\$15,000,000
	MMS	\$6,480,000
	RSPA	\$2,528,000
	ACOE	-
	TREASURY	\$40,248
	PWS OSRI	\$2,409,944
1998	CG	\$50,869,670
	EPA	\$15,000,000
	MMS	\$6,118,000
	RSPA	\$3,300,000
	ACOE	-
	TREASURY	\$18,650
	PWS OSRI	\$1,209,550
1999	CG	\$48,004,789
	EPA	\$14,777,509
	MMS	\$6,118,000
	RSPA	\$4,248,000
	Treasury	\$39,209
	PWS OSRI	\$1,181,725
2000	CG	\$48,500,000
	EPA	\$14,979,400
	MMS	\$6,118,000
	RSPA	\$5,479,000
	TREASURY	\$2,141
	PWS OSRI	\$982,281
	Denali Comm.	\$5,475,967



HISTORY

The Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) established the Hazardous Substance Response Trust Fund (Superfund) to provide monies to identify, prioritize, and clean up the nation's uncontrolled hazardous waste sites. The Superfund, administered by the EPA, was created as an important CERCLA component to give the Federal government flexibility in identifying and addressing potentially harmful releases of hazardous substances. The Superfund provides the funds that enable Federal agencies to respond immediately to hazardous substance releases and contamination problems that pose a threat to public health and the environment. It is maintained by a tax levied on certain products of the chemical and petroleum industries and from costs recovered from RPs.

COAST GUARD CERCLA RESPONSES

Since August 1981, the Coast Guard has been responsible for serving as On-Scene Coordinator (OSC) and conducting emergency responses to any actual or potential hazardous chemical releases in the coastal zone, the Great Lakes, and inland river ports as designated in the NCP. Coast Guard Strike Teams provide response support in other areas of the country as well.

Since its commission, the NPFC has served as the fiduciary agent for the Superfund portion accessible to the Coast Guard. These funds are provided to the Coast Guard through interagency and site-specific agreements with the EPA and are used for the ongoing costs of building and improving response capabilities, including personnel costs and the costs of specific incident removals.

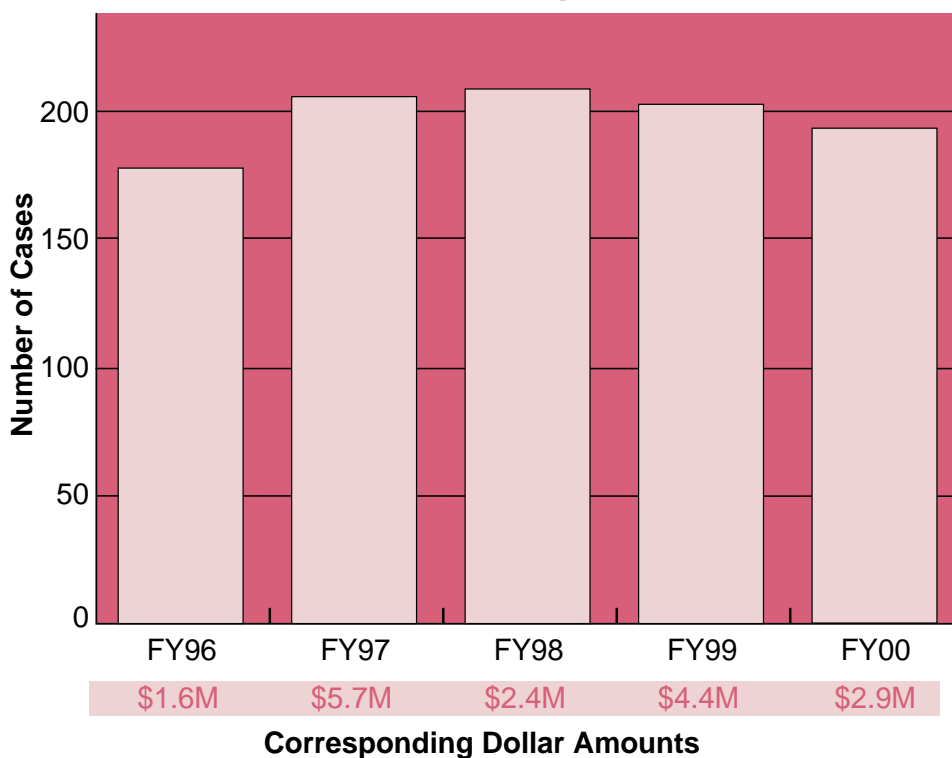
An MOU between Coast Guard and EPA, signed in 1994, comprehensively addresses the Coast Guard use of CERCLA/Superfund and the mechanisms for transferring funding. This MOU is tangible evidence of the NPFC's commitment to the cultivation of productive relationships with other Federal agencies that are suppliers or users of pollution funds.

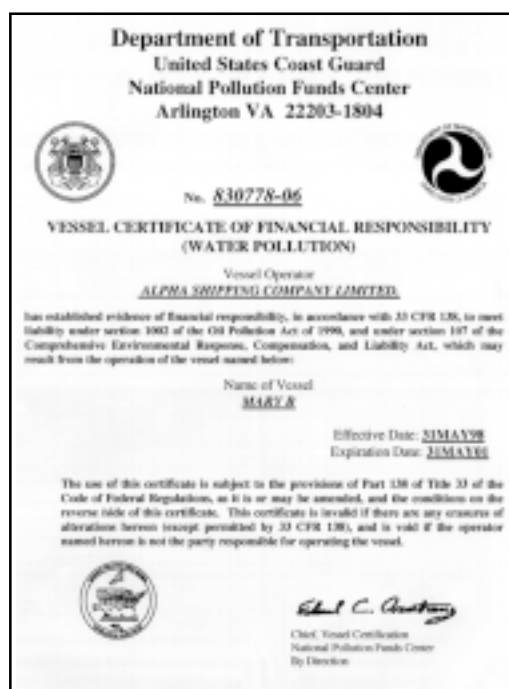
The number of Coast Guard responses to hazardous chemical releases is a function of public awareness of the danger and environmental impact of these releases and the development of procedures and funding mechanisms that provide Coast Guard FOSCs and Strike Teams easier access to CERCLA funds. While the number of releases the Coast Guard responds to appears to have stabilized, the actual cost fluctuates, more as a function of the size of the individual release than the number of releases in any given year.

- In FY96, no case was larger than \$200,000.
- In FY97, there were five cases of \$100,000 or more, and another 11 that were greater than \$50,000 but less than \$100,000.
- In FY98, there were three cases of \$100,000 or more and another 12 of at least \$50,000 but less than \$100,000.
- In FY99, there were seven cases of \$100,000 or more and another three of at least \$50,000 but less than \$100,000.
- In FY00, there were three cases of \$100,000 or more, and another two of at least \$50,000 but less than \$100,000.

As shown in the following graph, in FY96 the Coast Guard responded to 178 cases totaling \$1.6 million. In FY97, the Coast Guard responded to 206 cases totaling \$5.7 million. In FY98, the number of Coast Guard responses increased to 209 cases totaling \$2.4 million. In FY99, the number of responses was 203, but the total funding used increased to \$4.4 million, due in large part to operations in the aftermath of Hurricane Floyd. In FY00, the number of responses was 191, and total funding used was \$2.9 million.

USCG CERCLA Responses FY96–FY00





The United States depends on marine transportation for the majority of its imports and exports, including chemical- and petroleum-based products. Spills can and do occur from all types of vessels, not just tankers. Section 1016 of OPA requires vessels over 300 gross tons, using any place subject to U.S. jurisdiction, or any size vessel using the waters of the exclusive economic zone to transship or lighter oil destined for a place subject to U.S. jurisdiction, to provide evidence of financial responsibility to satisfy claims for removal costs and damages up to the statutory limits. The primary goals of NPFC's COFR program are to ensure that RPs are identified and held financially responsible, to the full extent of the law, for any expenses involved in deal-

ing with any specific vessel water pollution incident. This certification is accomplished by issuing a COFR to vessel operators who have demonstrated adequate evidence of financial responsibility as established by law.

The vessel limits of liability under OPA are as follows:

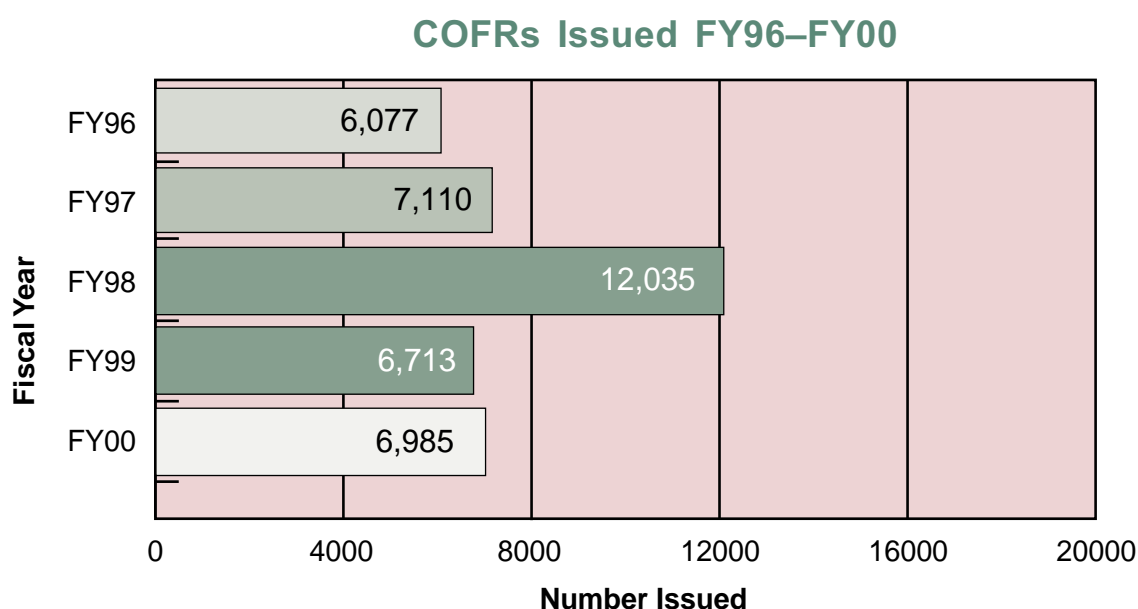
- For tank vessels 3,000 gross tons or less, the greater of \$2,000,000 or \$1,200 per gross ton
- For tank vessels greater than 3,000 gross tons, the greater of \$10,000,000 or \$1,200 per gross ton
- For any other vessel, \$600 per gross ton or \$500,000, whichever is greater

Additional amounts are also applicable under CERCLA:

- For any vessel over 300 gross tons carrying hazardous substance as cargo, the greater of \$5,000,000 or \$300 per gross ton
- For any other vessel over 300 gross tons, the greater of \$500,000 or \$300 per gross ton

Failure to comply with the law may result in prevention or cessation of operation, vessel detainment, denial of entry to a U.S. port, a civil penalty of up to \$27,500 per day of violation, or seizure and forfeiture of the vessel. The law does not apply to public vessels. The financial responsibility requirements also do not apply to non-self-propelled barges carrying no oil as cargo or fuel or hazardous substances as cargo.

The graph below shows the number of COFRs issued from FY96–FY00. The large number in FY98 reflects the renewal of the initial COFRs from the OPA implementation in FY95 (COFRs are issued for 3 years).

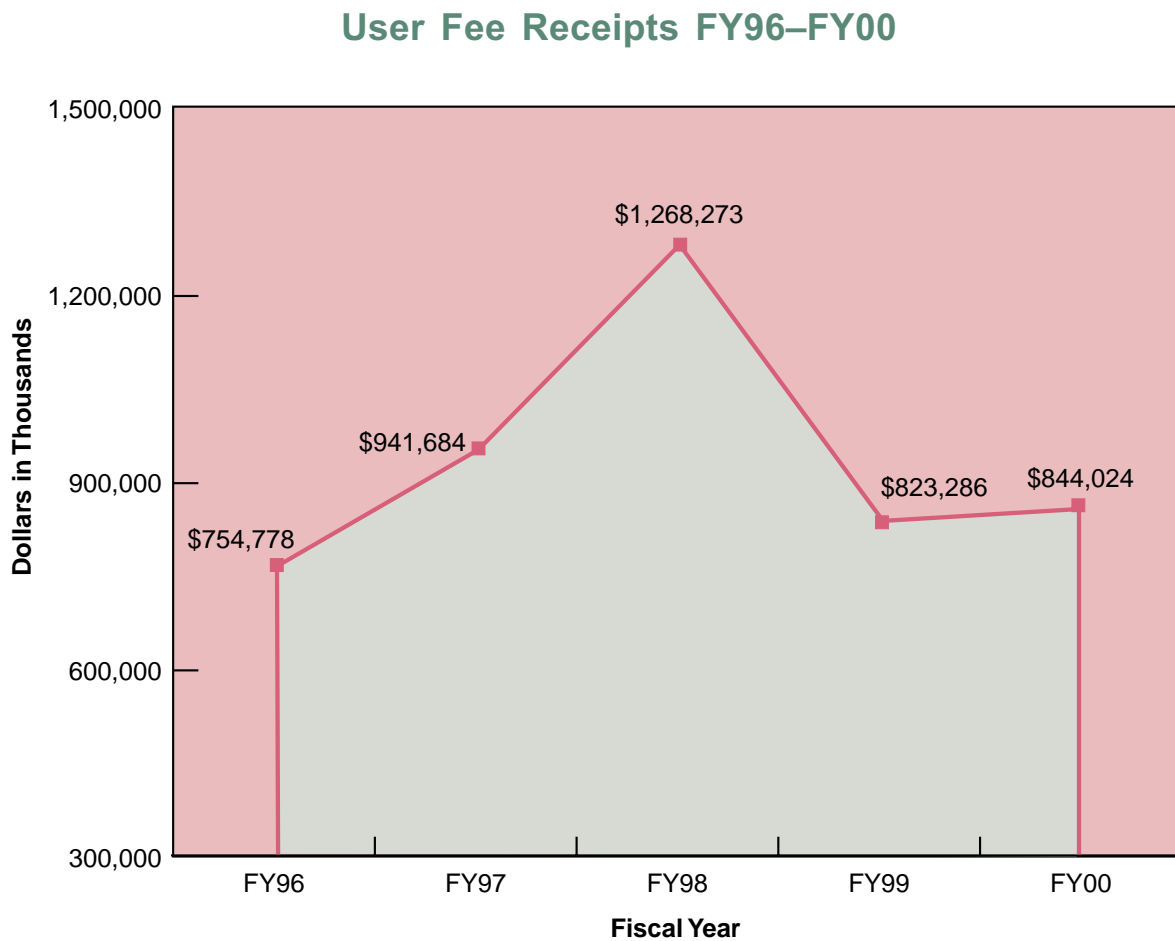


There are currently about 19,000 valid COFRs issued to vessel operators. The NPFC processes thousands of COFR transactions each year, including new issues, name changes, renewals, and revocations. The table on the right illustrates the number of valid COFRs by vessel type at the end of FY99 and FY00.

Vessel Type	COFRs Currently Valid	
	1999	2000
Dry Cargo	7,920	7,972
Tanker	2,315	2,429
Tank Barge	3,898	3,927
MODU	300	311
Passenger	490	517
Fishing	1,475	1,299
Utility	2,429	2,418
TOTAL	18,827	18,873

USER FEE RECEIPTS

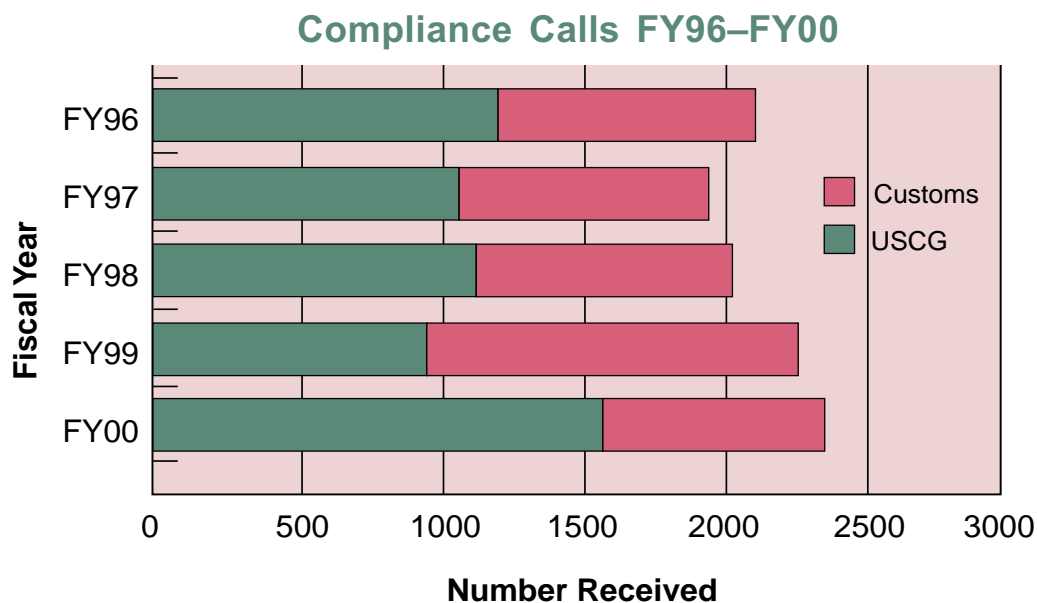
User fees are the charges that vessel operators must pay the Coast Guard for processing their application and issuing the COFR. The graph below shows the user fees collected from FY96–FY00. User fees are dramatically higher in FY98 due to the large number of COFR renewals following the initial implementation in FY95 (COFRs are issued for 3 years).



VESSEL ENFORCEMENT INQUIRIES

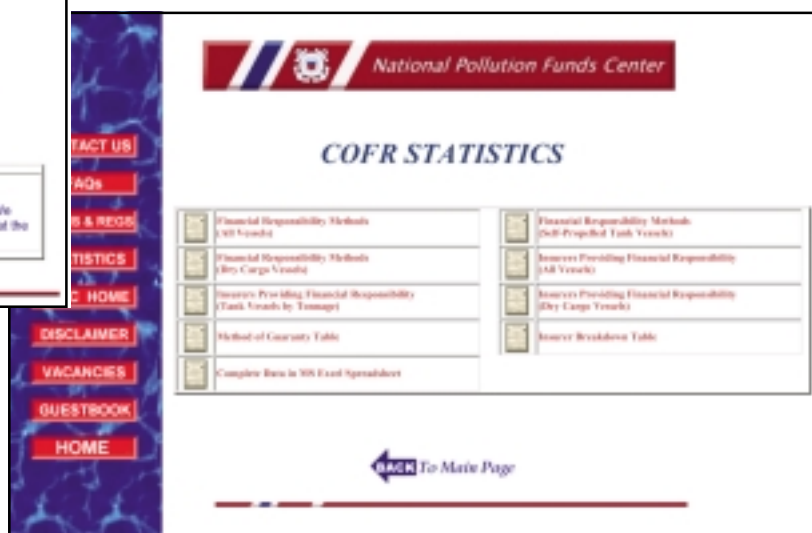
A primary function of the Vessel Financial Responsibility Certification Program is answering compliance inquiries from the field. Thousands of calls per year are received from Coast Guard and U.S. Customs field offices, as well as approximately 300 inquiries from the Louisiana Off-shore Oil Port (LOOP). Enforcement inquiries result from random samplings of vessels in transit, entries found in the Coast Guard Marine Safety Information System (MSIS), irregularities found on inspection, and discrepancies in information provided by ships' agents and representatives. The Coast Guard routinely checks for COFRs when vessels enter U.S. waters, sail coastwise, or are inspected. U.S. Customs checks for COFRs when vessels leave U.S. waters.

In an effort to increase awareness of COFR requirements among Coast Guard field personnel, representatives from Vessel Certification have visited Coast Guard Marine Safety Offices (MSOs) in most major U.S. ports to provide onsite guidance and instruction. As a result of this outreach training effort, the majority of enforcement queries come from Coast Guard field personnel. Though fewer queries come from U.S. Customs, it plays a vital part in the nation's COFR enforcement effort.



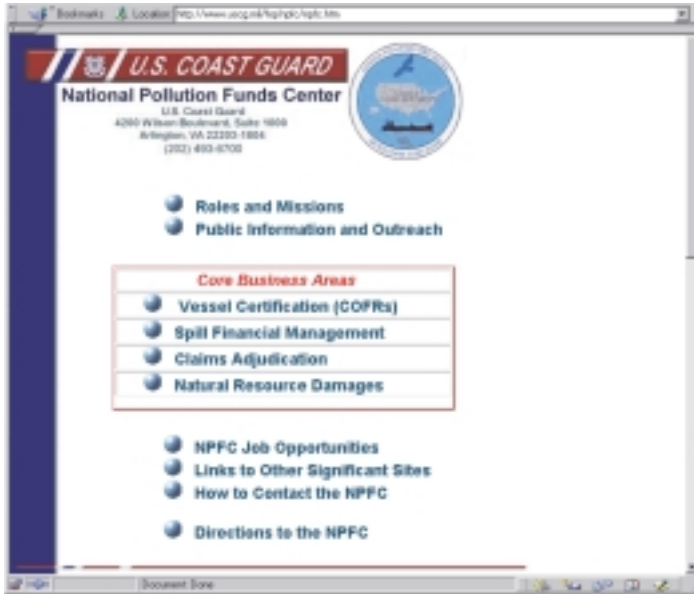


COFRs Home Page: <http://www.cofr.npfc.gov>



FY99 marked the debut of the COFR Web site (www.cofr.npfc.gov). This site allows the international shipping and insurance communities to check on the status of COFRs as well as download applications and other informational materials. The COFR staff also can be contacted via E-mail from the Web site. This site is updated every evening so that the shipping community in the Far East has access to current information during their workday. In FY00, the site was modified and improved after the vessel certification staff received suggestions from the international shipping community. The NPFC averages over 13,000 hits per month on this site.

The new state-of-the-art COFR database also was completed in FY99. The Web-based Intranet application was developed by Software Performance Systems, Inc. (SPS) and was deployed in July 1999. This innovation has dramatically increased productivity and remote access capabilities, both of which allow the COFR staff to meet the demands and expectations of their customers in the maritime and insurance industries. The cutting edge technology behind the database was displayed by SPS at recent computer trade shows as an example of technological advancements in Web-based information management.

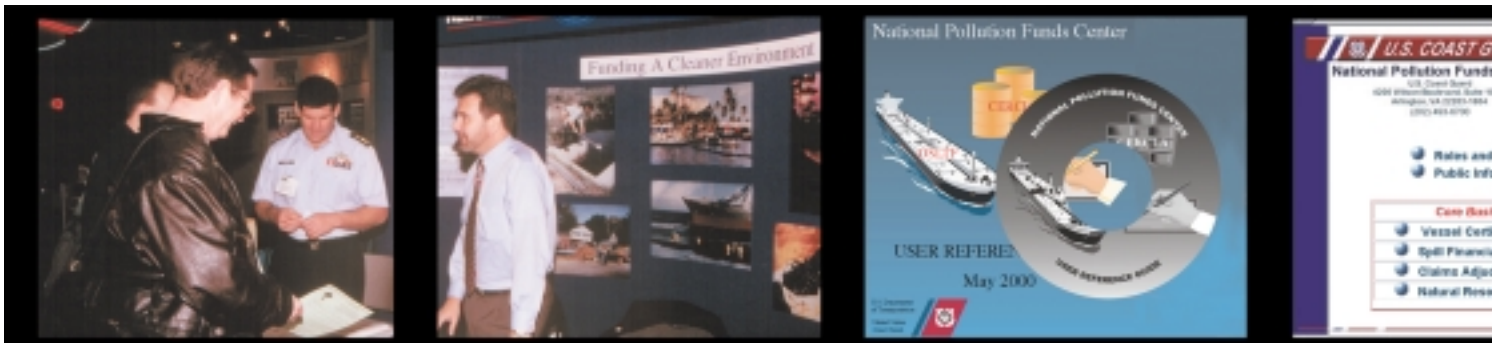


NPFC Web site: <http://www.uscg.mil/hq/npfc/npfc.htm>.

NPFC has a dynamic Outreach Program designed to meet the demands of various customers in the environmental response and maritime communities. These customers include Coast Guard and EPA oil spill response personnel; other government agencies; Federal, state, and Indian natural resource trustees; the maritime industry; the fishing vessel community; international organizations; and the general public.

The Outreach Program is designed to provide NPFC customers with information on:

- NPFC missions and functions
- Various ways to gain access to the OSLTF
- Specific requirements for cost documentation to support cost recovery efforts
- Process for submitting a claim to NPFC
- Eligibility for compensation
- Information on owner and operator financial responsibilities and limits of liability under OPA
- General information concerning Title I of OPA



OUTREACH INITIATIVES

NPFC's guiding principle in the execution of its Outreach Program is *"helping our customers get the right thing done the first time."* NPFC acts on this principle through a wide variety of published guidance materials and other innovative outreach initiatives. NPFC also continuously strives to develop new and creative methods to meet customers' specific needs. The following is a summary of outreach efforts over the past two Fiscal Years:

- More than 200 total customers attended NPFC Funds Use seminars in La Jolla, CA in August 1999 and in St. Petersburg Beach, FL in May 2000. These attendees represented a diverse group of Federal and state response agencies, natural resource trustees, oil spill response organizations, and the marine transportation industry. Hard copies of the *OSLTF User Reference Guide* were distributed at both seminars. In FY99, a complete CD-ROM version of the comprehensive *OSLTF User Reference Guide* was distributed at the seminar for the first time. An updated CD-ROM, with a linked Table of Contents, was distributed at the FY00 seminar.
- In FY99 and FY00, the NPFC Exhibit Booth was used in a wide variety of forums to disseminate outreach materials and facilitate educational interaction about NPFC roles and missions. These venues were: Clean Gulf 99 and Clean Gulf 00; the 1999 International Oil Spill Conference; the Native American Fish & Wildlife Society's 17th Annual National Conference; DACOWITS Spring 2000 Conference (as part of a special CG Mission display and demonstration); Inland Spills Conference; and Coast Guard On-Scene Coordinators Crisis Management courses.
- In FY99 and FY00, NPFC continued to play an important role in the Pollution Response Exercise Program (PREP). NPFC representatives participated in three PREP exercises in FY99 and one in FY00, providing financial management assistance to Incident Command organizations in Norfolk, VA; Eastport, ME (CANUSLANT); Providence, RI, and Toledo, OH/Detroit, MI (combined PREP).
- In response to requests from CG Headquarters and other Federal agencies, in FY00, the NPFC extended its outreach program to include briefings on our roles and missions to delegations from France, the People's Republic of China, and Brazil. In each instance, the governments of these countries are exploring the possibility of instituting programs to cover the high costs of oil spill response and are looking to the NPFC as a model.



National Pollution Funds Center

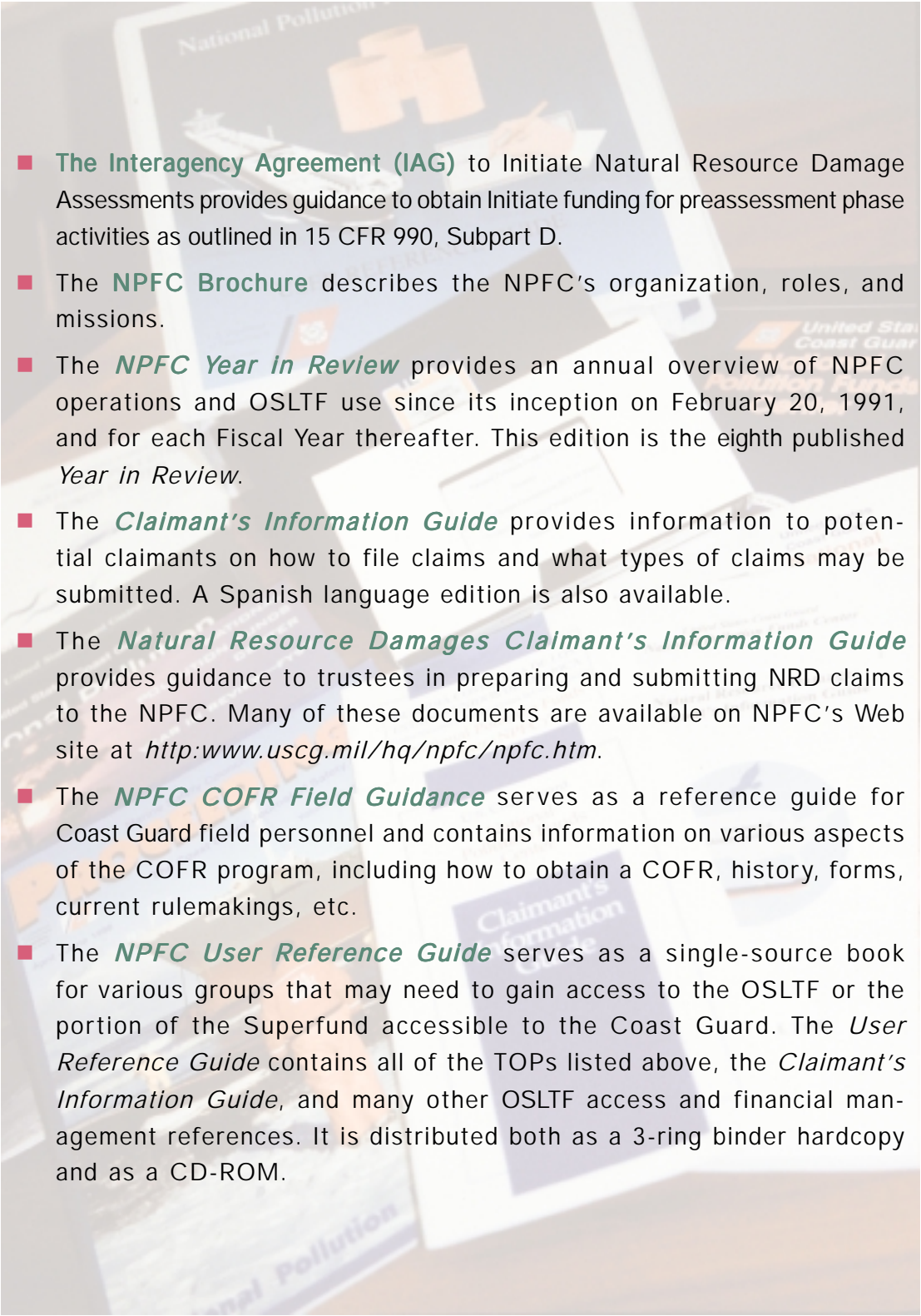
The NPFC has an extensive library of guidance materials, including four Technical Operating Procedures (TOPs), which provide customers with a wealth of information on the NPFC, its roles and missions, and Fund access and use. To request any guidance materials, please call (202) 493-6999, or go to the NPFC Web site <http://www.uscg.mil/hq/npfc/npfc.htm>. The following is a summary of the materials available:

- The **TOPs** serve as Coast Guard guidelines for Fund users. They provide an efficient means to compile and submit material by providing formats, forms, and instructions to submit documentation. All NPFC TOPs are updated regularly and are consolidated in the *NPFC User Reference Guide*. Information on NPFC's four TOPs is provided below:
 - ⇒ **Removal Cost TOPs** provide clear guidelines to determine valid and necessary removal costs for a substantial threat or an actual oil discharge.
 - ⇒ **Resource Documentation TOPs** assist FOSCs in documenting and reporting resources associated with removal activities.
 - ⇒ **State Access TOPs** describe the procedures for states to access the OSLTF, including requirements for documenting expenses, investigative requirements, and submitting documents for reimbursement.
 - ⇒ **Designation of Source TOPs** aid FOSCs in conducting investigations to identify sources of a substantial threat or actual discharge of oil, duly notifying the responsible parties and their guarantors, and designate the source so that claimants may submit their claims to the responsible parties.

U.S. Department
of Transportation

United States
Coast Guard



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- **The Interagency Agreement (IAG)** to Initiate Natural Resource Damage Assessments provides guidance to obtain Initiate funding for preassessment phase activities as outlined in 15 CFR 990, Subpart D.
 - The **NPFC Brochure** describes the NPFC's organization, roles, and missions.
 - The **NPFC Year in Review** provides an annual overview of NPFC operations and OSLTF use since its inception on February 20, 1991, and for each Fiscal Year thereafter. This edition is the eighth published *Year in Review*.
 - The **Claimant's Information Guide** provides information to potential claimants on how to file claims and what types of claims may be submitted. A Spanish language edition is also available.
 - The **Natural Resource Damages Claimant's Information Guide** provides guidance to trustees in preparing and submitting NRD claims to the NPFC. Many of these documents are available on NPFC's Web site at <http://www.uscg.mil/hq/npfc/npfc.htm>.
 - The **NPFC COFR Field Guidance** serves as a reference guide for Coast Guard field personnel and contains information on various aspects of the COFR program, including how to obtain a COFR, history, forms, current rulemakings, etc.
 - The **NPFC User Reference Guide** serves as a single-source book for various groups that may need to gain access to the OSLTF or the portion of the Superfund accessible to the Coast Guard. The *User Reference Guide* contains all of the TOPs listed above, the *Claimant's Information Guide*, and many other OSLTF access and financial management references. It is distributed both as a 3-ring binder hardcopy and as a CD-ROM.



■ Strategic Business Plan

Progress continued in the implementation of the NPFC's Strategic Business Plan through FY00. The corresponding Implementation Plan for each strategic goal developed by NPFC Divisions was further revised to accurately reflect progress. The milestones and measures that have been identified are being used as a "yardstick" to measure success. A system of reporting and record keeping is under development to ensure that each Division responsible for implementing a strategic goal stays on track, is aligned with NPFC, Coast Guard, and Department of Transportation (DOT) goals, and can successfully measure performance.

■ Federal On-Scene Coordinator Finance and Resource Management (FFARM)

Throughout FY99, NPFC and the Coast Guard Office of Response (G-MOR) collaborated on the development of a comprehensive *FFARM Field Guide*. This concise pocket guide serves field personnel as a ready reference in the financial management of oil spill response activity. The FFARM development team recognized the need within the Coast Guard response community for a standardized and automated cost documentation system. As a result, the group agreed to create an electronic (Internet) business process that would enhance the FOSC's ability to more accurately and more efficiently manage pollution funds, using existing Pollution Daily Resource Report Forms (CG-5136 series) in combination with the published Coast Guard Standard Rates Tables. The effort continues to be expanded into other e-government functions conducted by NPFC. In FY00, the NPFC continued this collaboration to the next level—development of a series of Microsoft PowerPoint® exportable training modules for FFARM. This FFARM Exportable Training will be beta-tested in early FY01.

As the NPFC continues to actively assist FOSCs in their role as protectors of the nation's navigable waters from pollution, NPFC case management experts will reinforce the information in the *FFARM Field Guide* by incorporating it into field outreach visits and training sessions.

■ Natural Resource Damage Claims

In FY99, the Natural Resource Damage (NRD) Division hit the ground running. By 2000, the Division was fully staffed with a Division Chief, Assistant Division Chief, and three Claims Managers. One of the first tasks for the NRD Division was to develop and implement an effective education and outreach program that will help familiarize trustees with the NPFC NRD claims process. These programs will be an ongoing effort that will include NRD seminars and workshops, expansion of the NPFC NRD Web site, and an NRD database for trustee profiles.

■ Claims

The Claims Division anticipates an active year. The regulations governing claims processes are being rewritten and should be released for publication as a Notice of Proposed Rulemaking in 2001. The Claims Division is also in the final phases of developing a state-of-the-art, Web-based management information system (Claims Processing System [CPS]). CPS will be a shared resource between the Claims and NRD divisions and will be a comprehensive tool for tracking all claims-related activities, as well as statistics and performance measures. With the addition of eight new employees over the past year, the Claims Division is preparing to significantly improve its handling of claims and its ability to conduct effective outreach to current claimants and potential claimants.

■ NPFC Funds Use Seminars

The highly valued Funds Use Seminar program will continue in FY01 with sessions in Corpus Christi, Texas and Portland, Oregon. Each seminar will feature four concurrent sessions for Coast Guard FOSCs; NRD Trustees; States, OSROs, and RPs; and EPA FOSCs. The Coast Guard FOSC sessions focus on the FOSC *FFARM Field Guide* and will cover incident documentation, financial management, cost documentation, contracting, and use of the Superfund. The NRD sessions feature NRD Trustees, participating with the NPFC NRD Division, in taking an in-depth look at various NRD processes. The sessions for states, OSROs, and RPs focus on removal cost claims, fund access tools, damage and limit of liability claims, and COFRs. The EPA FOSC sessions include an introduction to FFARM incident documentation and financial management, EPA cost documentation, and RP identification and other legal issues for abandoned oil wells.

■ Vessel Certification

The Vessel Certification Division continues to be a model for leveraging technology to improve the interface between the worldwide maritime community and the Government. The NPFC expects to introduce electronic filing of COFR applications and user fees during FY01 with the ultimate goal of making all COFR-related transactions available on-line.

■ Coast Guard Auxiliary

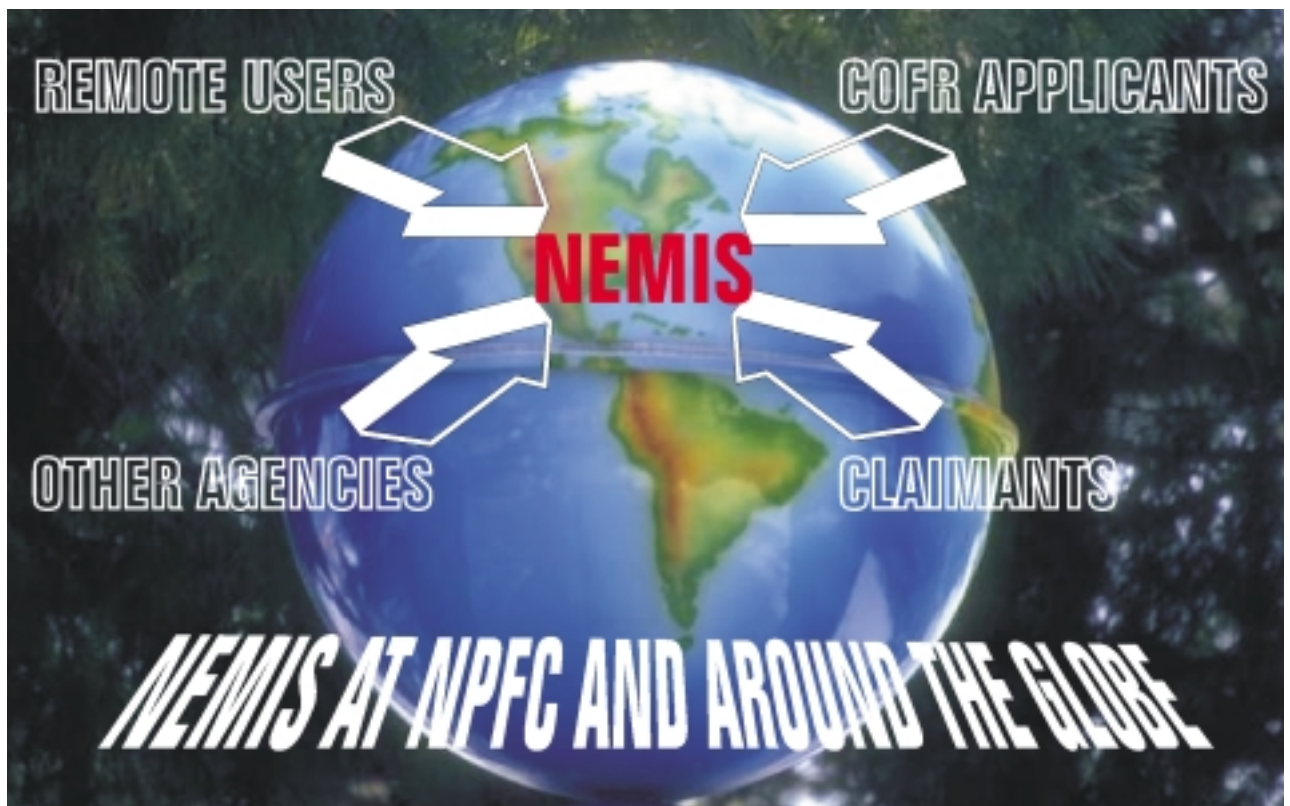
NPFC will continue to explore utilizing the Coast Guard Auxiliary as an extended resource in scoping damage claims and disseminating information to potential claimants during the occurrence of a significant oil spill. Technical Operating Procedures (TOPs) will be published and an outreach program will be developed to instruct the extensive and knowledgeable Auxiliary organization in this role.

NEMIS

NPFC On-Line is the result of NPFC's goal to maximize the effective use of Web-based technology in support of our diverse missions and our internal and external customers. The NPFC Expert Management Information System (NEMIS) is the umbrella automated information system that supports NPFC's diverse business lines, centralizes NPFC data at an enterprise level, and provides the platform for NPFC On-Line. NEMIS provides the tools so that case team members can interactively participate during the prosecution of pollution cases, manage the financial aspects of spill response, and pursue the recovery of costs from responsible parties. It provides a system for the management of the COFR Program and the adjudication of Natural Resource Damage and third party claims.

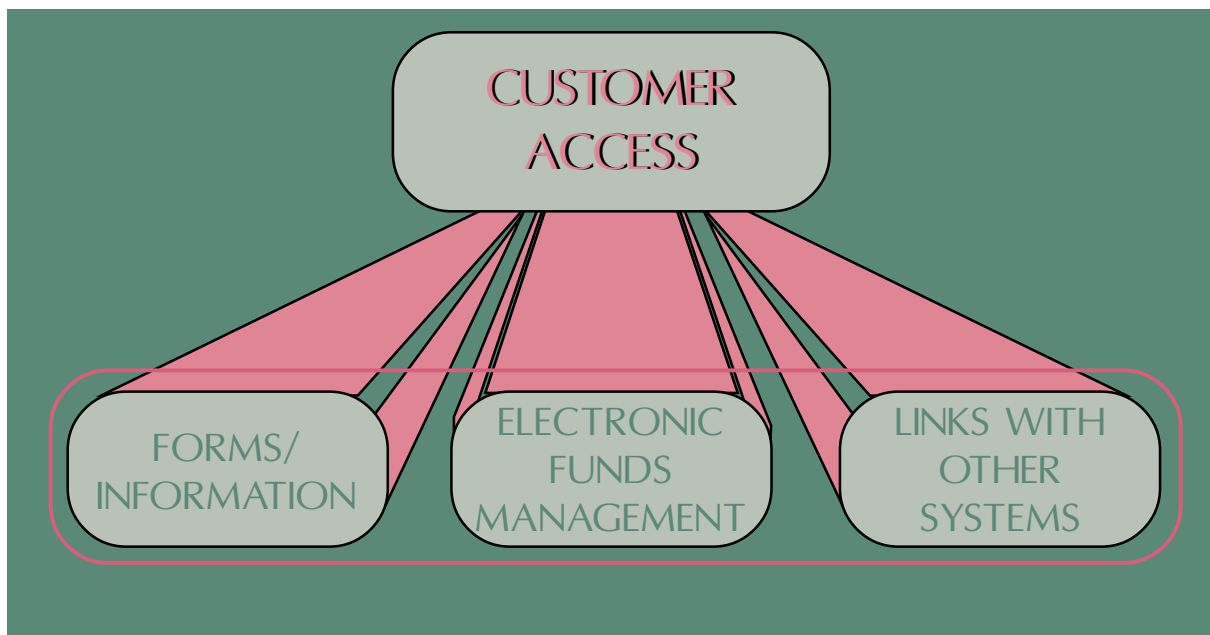
NEMIS also provides the platform for a unit Intranet site (NEIS, or NPFC Executive Information System) by which all NPFC employees have direct access to NPFC's Strategic Business Plan, Internal SOPs, Coast Guard and NPFC instructions, executive information, policy and legal guidance, program reports, helpful news items, and other shared data. It provides the capability for NPFC's management staff to measure and analyze data for the purposes of performance measurement, internal and external reporting, IG audit preparation, and workload reallocation and distribution.

In addition to supporting NPFC's business modules, NEMIS delivers an integrated set of applications that support NPFC's diverse group of users: from desktop day-to-day users to remote users at a spill site;



upper management; and our external customers around the globe. NEMIS maximizes the effective application of available technology to support NPFC's requirement to have current, reliable information available at all times.

NPFC ON-LINE



NPFC's Internet Web site is our external portal to information in support of our thousands of customers in the environmental response and marine insurance communities. NPFC On-Line provides web-based access to information needed by NPFC to perform its mission, as well as information for its external customers. The system focuses upon three categories of content: forms and information, electronic funds management, and links with other systems:

- **Forms and Information** includes a broad range of regulations, instructions, policies, procedures, and field guides used by NPFC employees and other Government personnel, as well as the public, in conducting business with the NPFC. The NPFC Internet site provides Natural Resource Trustees and third party claimants access to claims regulations, information guides, and forms for submitting claims to NPFC. Our NPFC Web site provides access to the NPFC COFR database, which allows CG and U.S. Customs COFR enforcement field personnel, and the private sector maritime community to search for COFR information on nearly 19,000 vessels, download COFR application forms, and contact insurance examiners. The NPFC Internet COFR Web site gets over 13,000 hits per month. NPFC's Web site also provides access by CG and EPA FOSCs to Technical Operating Procedures, which provide guidance on the financial management of spill response and access to the OSLTF (or Superfund for HAZMAT response).

- **Electronic Funds Management** documentation, such as NPFC Electronic Cost Documentation forms (with CG Standard Rates for personnel and equipment electronically embedded), can be downloaded to the field from the Web site, completed, and then submitted electronically to NPFC's ORACLE Financial System, eliminating the need for redundant keystroking of financial data. Having the application on the website reduces the time, effort and costs of form updates.

In FY00, development began on additional electronic funds management applications that will be employed by NPFC:

➤ **CANAPS**, or the Ceiling and Number Assignment Processing System, is a new function being developed to enable CG and EPA FOSCs to electronically establish Federal Project Numbers and budget ceilings for pollution response. FOSCs will log on to NPFC's Web site, enter their password and required incident data, and be electronically issued an FPN or CPN and a funding ceiling for the response. This capability will eliminate the need for District personnel to perform this function on a 24/7 basis.

➤ **PAY.GOV** is a Treasury Department initiative that NPFC is participating in that will enable web-based electronic billing and payment of financial transactions such as COFR fees, claims payments, and payments from Responsible Parties. The cost to set up this capability is currently being borne by the Treasury Department.

- **Links** made to NPFC's Web environment facilitate current and future interaction with external information systems. As an example, COFR data is uploaded nightly into the Marine Safety Information System (MSIS) to provide timely information to CG field personnel for COFR enforcement purposes. We are currently involved in the Marine Information for Safety and Law Enforcement (MISLE) project development to ensure that links to our COFR database are established. We also download DAFIS obligations and expense information nightly through the Department of Transportation's Management Information & Resources (MIR) system to electronically synchronize our pollution spending records with the core accounting system. We have been working with CG Headquarters, G-CFS, to ensure integration with the Department of Transportation's new DELPHI accounting system. Additionally, our ORACLE database and Web-based architecture facilitates data interfaces with development of CG information systems, and connectivity with EPA and NOAA agency financial systems, the Department of Justice, and private sector sites.

Without the system improvements that NEMIS provides, it would have been impossible for NPFC to keep up with our growing workload and increases in information management requirements without adding additional staff and without a significant impact on our efficiency and productivity.

BLACK HISTORY MONTH FY99

The National Pollution Funds Center and the National Maritime Center hosted three Black History Month events during February 1999. The first event was a lunch-time showing of two films entitled "Sojourner Truth" and "Madame C. Walker." The second event featured our "partner-in-education," Kenmore Middle School Choir. The main event commemorating Black History Month featured guest speakers from the original Tuskegee Airmen Squadron. LCDR Ralph Malcolm, Customer Services Division, was instrumental in securing the guest speakers due to his educational and professional association with a Tuskegee Airmen organization.

The goal of the NPFC's Black History Committee is to promote diversity in a morally astute, culturally enriched environment from which all can grow and learn.



Photo by John Baker, NPFC

BLOOD DRIVES

In FY99 and FY00, NPFC continued to host the Northern Virginia Chapter of the American Red Cross for its quarterly blood drive. All Coast Guard commands co-located in the Ballston Office Complex support the blood drives, donating over 200 units of blood to the American Red Cross.



Photo by John Baker, NPFC



Photo by USCG

ACOE	Army Corps of Engineers
BOA	Basic Ordering Agreement
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act of 1980
COFR	Certificate of Financial Responsibility
CPS	Claims Processing System
DAFIS	Departmental Accounting and Financial Information System
DOT	Department of Transportation
EPA	Environmental Protection Agency
ECSC	Electronic Commerce Steering Committee
FFARM	FOSC Finance and Resource Management Field Guide
FLAT	Federal Lead Administrative Trustee
FOSC	Federal On-Scene Coordinator (also see OSC)
FWPCA	Federal Water Pollution Control Act
FY	Fiscal Year
G-MOR	Coast Guard Office of Response
IAG	Inter-Agency Agreement
INRDA	Initiation of Natural Resource Damage Assessment
IRM	Information Resources Management
LOOP	Louisiana Offshore Oil Port
MIR	Management Information Resources
MISLE	Marine Information for Safety and Law Enforcement
MMS	Minerals Management Service
MOU	Memorandum of Understanding
MSIS	Marine Safety Information System
MSO	Marine Safety Office
NCP	National Contingency Plan (40 CFR 300)
NEIS	NPFC Executive Information System
NEMIS	NPFC Expert Management Information System
NOAA	National Oceanic and Atmospheric Administration
NPFC	National Pollution Funds Center
NRD	Natural Resource Damage
NRDA	Natural Resource Damage Assessment
NWG	Natural Working Group
OPA	Oil Pollution Act of 1990
OSC	On-Scene Coordinator (also see FOSC)
OSLTF	Oil Spill Liability Trust Fund (the Fund)
OSRO	Oil Spill Removal Organization
PIAT	Public Information Affairs Team
PREP	National Preparedness for Response Exercise Program
PWS OSRI	Prince William Sound Oil Spill Recovery Institute
RP	Responsible Party
RSPA	Research and Special Programs Administration, DOT
SPS	Software Performance Systems, Inc.
SOL	Statute of Limitations
SOP	Standard Operating Procedure
TAPS	Trans Alaska Pipeline System Liability Fund
TOPs	Technical Operating Procedures
TQM	Total Quality Management
USCG	U.S. Coast Guard

SENIOR MANAGEMENT

Director

Ms. Jan P. Lane (202) 493-6700

Deputy Director

Mr. William R. Grawe (202) 493-6700

Chief, Case Management

Mr. Timothy G. Eastman (202) 493-6721

Chief, Claims

Ms. Linda F. Burdette (202) 493-6831

Chief, Customer Services

Ms. Dana C. Compton (202) 493-6713

Chief, Financial Management

Mr. Darrell W. Neily (202) 493-6800

Chief, Information Technology

Mr. George A. Cognet (202) 493-6761

Chief, Legal

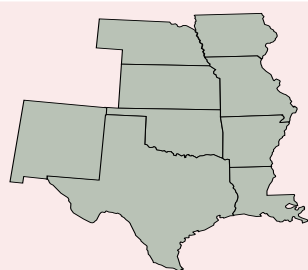
Mr. Derek A. Capizzi (202) 493-6750

Chief, NRD Claims

Mr. Frank S. Wood (202) 493-6860

Chief, Vessel Certification

Mr. Edmund C. Armstrong (202) 493-6780

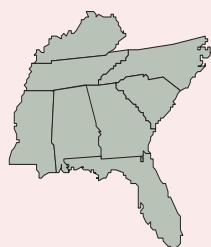


TEAM I (202) 493-6723

Regional Manager:
CDR Jeff Hammond
JHammond@ballston.uscg.mil

Responsible for most of CGD8 and EPA Regions VI and VII.

Includes: Texas, New Mexico, Louisiana, Arkansas, Oklahoma, Missouri, Kansas, Nebraska, Iowa, and COTP Mobile zones. Does not include CGD8 Memphis, Paducah, Louisville, Huntington, and Pittsburgh COTP zones.

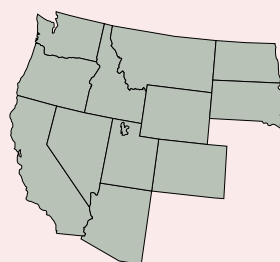


TEAM II (202) 493-6726

Regional Manager:
CDR Tom Chuba
TChuba@ballston.uscg.mil

Responsible for CGD7, portions of CGD5 and CGD8; EPA Region II (Caribbean Section) and EPA Region IV.

Includes CGD8 Memphis, Paducah, Louisville, Huntington, and Pittsburgh COTP zones; CDG5 Hampton Roads and Wilmington COTP zones; Virgin Islands, Puerto Rico, Florida, Georgia, South Carolina, Tennessee, North Carolina, Kentucky, Alabama, Mississippi, Virginia (COTP Hampton Roads zone only), and Pennsylvania (COTP Pittsburgh zone only).

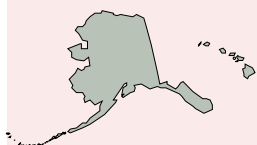


TEAM III (202) 493-6729

Regional Manager:
LCDR Greg Buie
GBuie@ballston.uscg.mil

Responsible for CGD11, CGD13, CDG14, CDG17, and EPA Regions VIII, IX, & X.

Includes: Arizona, California, Nevada, Utah, Colorado, North Dakota, South Dakota, Wyoming, Montana, Idaho, Washington, Oregon, Alaska, Hawaii, Guam, and American Samoa.



TEAM IV (202) 493-6732

Regional Manager:
Mark McEwen
MMcEwen@ballston.uscg.mil

Responsible for CGD1, CGD9, portions of CGD5, and EPA Regions I, II, III, and V.

Includes CDG5 COTP Philadelphia and Baltimore zones; Minnesota, Michigan, Wisconsin, Illinois, Indiana, Ohio, New York, Vermont, New Hampshire, New Jersey, Connecticut, Rhode Island, Massachusetts, Maine, Virginia (less COTP Hampton Roads zone), West Virginia, Pennsylvania (less COTP Pittsburgh zone), Maryland, Delaware, and Washington, D.C.

CONTACT INFORMATION

CLAIMS and NRD CLAIMS:	(800) 280-7118
CASE MANAGEMENT	(800) 358-2897
CASE MANAGEMENT DIVISION FAX:	(202) 493-6896
COMMAND DUTY OFFICER PAGER:	(800) 759-7243 (PIN # 2073906)
CERCLA CONTACTS: Jack Crawford	(202) 493-6811
James Goulden	(202) 493-6810
OUTREACH COORDINATOR: Jan Vorhees	(202) 493-6999



Photo by USCG



National Pollution Funds Center
U.S. Coast Guard
4200 Wilson Blvd., Suite 1000
Arlington, Virginia 22203-1804
(202) 493-6999

www.uscg.mil/hq/npfc/npfc.htm

